MANCIALTIMES

EUROPE'S BUSINESS NEWSPAPER

Thursday January 16 1986

Gramm-Rudman clock ticks on US deficit, Page 16

World news

Business summary

No. 29,830

Fighters London threaten Gemayel palace rate hope

At least 45 people were killed and 250 wounded in tank battles in Christian-held areas of Lebanon as pro-Syrian militias fought their way towards President Amin Gem-

Reports that the President's main Christian rival, Elie Hobeika, had been killed were denied. Hobeika last month signed a Syrian-sponsored peace pact aimed at ending the 10-year Lebanese civil war. Gemayel opposed the pact, saying it gave too much power to Moslems. Moslem West Beirut's television

said the pro-Syrian fighters had broken into the Christian leader's mountain stronghold of Bikfaya village. Earlier story, Page 3

Lesotho denies coup Troops and armoured cars sur-rounded the offices of Lesotho Prime Minister Chief Leabua Jona-

than in Maseru, but Foreign Minis-ter Desmond Sixisbe denied reports of an attempt to topple the Govern-ment. Page 18

Soviet nuclear plan Soviet leader Mikhail Gorbachev announced e 15-year timetable for banning all nuclear weapons and

extended a freeze on nuclear test-ing by three months, Page 18 S.Yemen fighting

Government forces in South Yemer tightened security in the capital, Aden, after three days of fighting following a failed coup attempt.

Officer missing

A West German officer with access to classified information has been missing from his army unit in Munich for three weeks, the Defence Ministry in Bonn said.

Philippines shooting A local leader supporting Philip-

pines presidential opposition candidate Corazon Aquino was shot in Turlac province.

Sn Lanka kuung

Twelve people, including a 10-yearold girl, were killed in fighting in Sri Lanka's Eastern Province between Tamil rebels and security

Pershing change

The US Pershing 2 nuclear missiles in West Germany are being modified to avoid a recurrence of an accident that killed three American soldiers last year.

Kennedy protest US Senator Edward Kennedy was

hours and his car pelted with eggs by right-wing supporters of Chile's military Government **Italian doctors' strike** Italian hospital doctors began a four-day strike and announced

more stoppages for next week

held up at Santiago airport for two

unless the Government allowed them to negotiate pay rises inde-pendently of other public health Page 2

Punjab death Suspected Sikh extremists shot dead a policeman in Punjab and heightened tension with neighbour-

ing Haryana state over conflicting

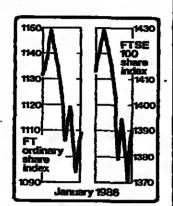
Soviet carrier Soviet Union has launched its first full-size aircraft carrier and simul-taneously begun the construction of

Jet shot down Pakistani anti-aircraft gunners shot INTEL, Silicon Valley semiconducand three other aircraft entered Pakistan's air space, Pakistani offi-

cials said in Peshawar.

markets surge on

LONDON: Stocks and gilts surged on interest rate bopes. The FT Ordinary index rose 15.3 to 1,109.6 and the FT Se 100 added 20.4 to 1,390.5.



WALL STREET: The Dow Jones in-dustrial average closed up 8.25 at 1,527.29. Page 40

TOKYO stock market was closed for a holiday. Foreign toehold in Ja-pan, Page 40

FRANKFURT: Stocks soared as foreign buyers returned in force a "significant risk" of running foul firm of lawyers to see whether such chant Bank bas driving the Commerzbank index of the sanctions, under which Mr consent was a formality in the light around 2 per cent driving the Commerzbank index 55.7 higher to 2,161.8. The session was extended by 30 minutes to cope with volume. Page 40

DOLLAR ended in New York at DM 24555, SFr 2.078, FFr 7.5355 and Y202.35. It was slightly weaker in London, closing at DM 2.4625 (DM 2.466), FFr 7.555 (FFr 7.5675), GP 2.080 (SF 2.080) SFr 2.082 (SFr 2.089) and Y202.35 (Y202.6). On Bank of England figures the dollar's index fell to 125.9 from 126.3. Page 33

STERLING ended in New York at \$1.4435. It gained 15 points against the dollar in London to \$1.442, but fell to DM 3.55 (DM 3.5525), FFr-10.896 (FFr 10.9) and SFr. 2.0025 (SFr 3.01). It was unchanged at Y291.75. The pound's exchange rate index fell 0.1 to 78.0. Page 33

OLD rose \$6.60 on the London b bon market to \$346.25 and was higher in Zurich at \$347.35. In New York the Comex February settlement was \$350.70. Page 32

ISRAEL'S inflation rate, which reached 450 per cent in 1984, tumhled to 185 per cent last year after a

wage and price freeze. Page 3 MEXICO is about to set up a fu-

tures market for the "controlled" exchange rate of the peso against the dollar, used for most trade and debt transactions. Page 19

UK .GOVERNMENT confirmed plans to cut defence expenditure, squeeze outlays on social security and speed sales of public assets to hold public spending. Page 18

FIRST WACHOVIA, south-east US bank, boosted earnings 20 per cent during 1985 from \$156.4m to \$187.7m. The company also increased sharply its loan-loss provision. Page 19

GULF OIL, Chevron's subsidiary. has run encouraging flow tests yielding good quality light crude in the Celtic Sea off southern Ireland.

RAISER ALUMINUM of the US is to make a wide-ranging reorganisation involving raising new capital that should make it less vulnerable to takeover. Page 19

GROUP LOTUS, UK sports car and engineering group, requested suspension of its shares on the London bourse "pending an announce-

JAGUAR, UK luxury car maker, maintained its position as one of e second, the US Defence Depart- Britain's leading exporters last year hy shipping out a record 29,675 cars

down an Afghan MiG-21 jet when it tor maker, reported heavy losses in the fourth quarter of 1985 and net income for the year reduced by 99 cuts in government spending aimed at eliminating the deficit - which per cent. Page 19

CONSORTIUM CLAIMS BLOCKING STAKE IN WESTLAND

European groups investigate Fiat's links with Libya

BY LIONEL BARBER IN LONDON AND REGINALD DALE IN WASHINGTON

THE EUROPEAN aerospace consortium hidding to block Westland's favoured rescue plan put forward by Sikorsky/Fiat yesterday said it spoke for almost 28 per cent of the helicopter company's shares, enough to defeat the plan at tomorrow's extraordinary general meet-ing of shareholders in London.

Meanwhile, a second obstacle to Sikorsky/Fiat emerged in the US, where a law firm retained by the European consortium advised that the Sikorsky/Fiat bid might run in-to trouble with President Ronald Reagan's economic sanctions against Libya. The Washington firm, Wilmer,

whether Fiat's connections with Libya might handicap Sikorsky's participation in the Westland rescue plan.

Cutler & Pickering, was asked hy British solicitors representing the European consortium to assess

Last Night Mr Lloyd Cutler, e former White House counsel to Presi-dent Jimmy Carter, said the firm had concluded that Sikorsky faced

Reagan last week ordered a virtual of the promised transfer of US tech total ban oo US economic and busi-ness links with Libya. nology to Westland. The issue has aris

The main implication was that Sikorsky might have difficulty in transferring US technology to West-land under licensing agreements, the lawyers said.

Sikorsky was not available for comment in London.

The Libyan Arab Foreign Investment Company holds around 14 per could be channelled to the Libyan

cent of Fiat, although the original 9
per cent share purchase goes back to December 1976. Two Libyan rep-

ing the European consortium, said can/Italian deal amount to more that the consortium had retained a than 6 per cent; and Lloyds Merfirm of lawyers to see whether such chant Bank bas itself picked up

The issue has arisen in the wake

of a complaint by the US company J. L Case against Fiat-Allis North America, a Fiat subsidiary, in a battle for a S8m Pentagon contract for 176 Crawler buildozers. J. I. Case has asked Fiat-Allis, which submit-

resentatives sit on the Fiat board. tions, the consortium can now According to the Sikorsky/Fiat speak for between 27% and 28 per

rescue proposals sent to sharebol- cent of Westland, slightly above the ders, Westland would receive from critical 25 per cent mark which is United Technologies, Sikorsky's required to block the Sikorsky/Fiat parent company, e licence for the development, sale and manufacture of the Black Hawk medium-weight stood to have bought were shares beliconter 'subject to IIS gravery in the market vectories and provided the stood to have bought and the provided to the market vectories and the market vectories and the stood to have bought and the provided to the market vectories and the provided to the

helicopter, subject to US governin the market yesterday, now bolds ment consent.

Mr David Horne, managing director of Lloyds Merchant Bank advisor proxies lodged against the American description of the back Hawk menture weight stood to have bought more snares in the market yesterday, now bolds around 14.5 per cent; United Scientific holds just under 5 per cent; tor of Lloyds Merchant Bank advisors.

Heseltine says London tried to 'silence' Rome

BY PETER RIDDELL, POLITICAL EDITOR, IN LONDON

MR MICHAEL HESELTINE the former British Defence Secretary, last night launched a fresh series of challenges to Mrs Margaret Thatcber, the Conservative Prime Minister, over the way her Government has bandled the Westland affair. In a powerful 45-minute speech in

the House of Commons, Mr Heseltine directly contradicted the version of the affair earlier presented new allegations about British government pressure being applied on the Italian Government and on the BBC in an effort to limit public

Mr Heseltine, who favours a rescue for the troubled Westland Helicopter group by a five-company Euthe Cabinet last week. He accused Mrs Thatcher at that time of trying to suppress discussion of alternawhich is supported by the Westland

Mr Heseltine's speech will ensure the possible impact upon party fortunes.

Mr Leon Britian, the Trade and

Industry Secretary, was last night bate and the earlier publication of a letter from Sir Austin Pearce, the chairman of British Aerospace, claiming that Mr Brittan had directly intervened last week to put pressure on the company - one of two

tives to the rescue proposal by Si-korsky of the US and Italy's Fiat, which is supported by the Westland ment not to take sides. Mr Brittan has strongly denied any such inter-

that the political row will continue Mr Heseltine alleged a number of despite Mrs Thatcher's attempt to defend her record and to criticise failed to be even-handed. His most despite Mrs Thatcher's attempt to defend her record and to criticise his involvement. Many Conservative MPs were last night still deeply office had instructed the British of the Conservative MPs were last night still deeply unhappy about the Government's ambassador in Rome to ask the performance in the affair and about Italian Government to send no European consortium.

The Foreign Office later admitted that on January 6, the day before still in a highly vulnerable political Mr Heseltine resigned, a telegram position after criticisms in the de- had been sent on the instructions of

> Continued on Page 18 Share battle, Page 8; Text of letters; Parliamentary debate, Page 9; Younger plans European tour,

Fed set to link banks' capital levels to risks

THE US Federal Reserve Board yesterday announced proposals for sweeping regulations that would for the first time link commercial bank capital requirements to an assessment of the risk involved in various

The rules, if imposed, would require banks engaging in riskier lending or off-balance-sheet financing business, such as letters of credit and credit rate swaps, to maintain higher capital levels than banks that pursue more conserva-tive activities. The proposals, which are subject to a 90-day comment period, would supplement the existing US bank capital adequacy requirements which require commercial banks to maintain a uniform primary capital-to-assets ratio of θ per

Under the trends of the Fed's long-awaited proposals, which are expected to be matched by similar moves by the other two key US bank regulatory agencies - the of-fice of the Comptroller of the Cur-rency and the Federal Deposit Insurance Corporation - bank activi-ties would be divided into four separate categories of risk - each with a

separate capital requirement. The Fed's four proposed risk categories are:

Cash and equivalent - assets

which are generally regarded as being riskless ● Money market risk – assets generally having little or no risk of de-fault and a high degree of liquidity.

• Moderate risk – assets having more credit and liquidity risk than

money market items.

Standard risk - assets generally "found in a typical bank portfolio" and not included in the other cat-

The complex proposals are gen erally seen by US bankers and bank lawyers as an attempt by the regulatory authorities to foster more conservative banking practices and force those institutions that engage in riskier business to increase their capital cushion - a key measure of bank safety.

Mr Paul Volcker, the Fed chairman, emphasised that the proposals were open to change and, anticipating possible objections to the scheme, described them as an "imperfect and limited tool." After the comment period, the Fed governors would decide on the final shape of the new regulations.

The US regulatory authorities bave become increasingly concerned in recent years about the impact of the rapid growth in bank offbalance-sheet activities, such as letters of credit which are not current-

Bonn minister fuels interest rate hopes

BY STEWART FLEMING IN WASHINGTON

A PREDICTION from Mr Martin and yesterday's developments Bangemann, the West German Economics Minister, that the US would raise the issue. But the G5 scems seek a co-ordinated reduction in interest rates by the finance minis-ters of the Group of Five (G5) major industrial countries at their meeting this weekeod in London, pro-voked a flurry of activity in the financial markets yesterday and drew a testy response from Mr James Baker, the US Treasury

D 8523 B

Mr Baker said after meeting Mr Bangemann vesterday: "my meeting with Mr Bangemann was e private meeting and 1 will have no comment on his remarks. It is not our policy to discuss in advance the positions we may or may not take in private G5 meetings.

The West German official's comnents will be an embarrassment to G5 ministers who have been going out of their way to play down the importance of the meeting. The fi-nance ministers of West Germany and the Netherlands, Mr Gerhard Stoltenberg and Dr Onno Ruding both said on Tuesday the G5 meeting would take no major initiatives on the dollar.

A US Federal Reserve Board spokesman said: "We bave no knowl-edge of whet Minister Bangemann is talking ebout."

Japan is known to favour a coordinated cut in G5 interest rates

divided.

It is unclear where the Federal Reserve stands on the issue al-though as the federal agency re-sponsible for US monetary policy its position is of vital importance. The Fed, however is perceived in the financial markets to have passed up in the past few weeks what some private economists saw as an opportunity to lead interes:

In Europe, senior monetary offieials were playing down any sug-gestion that governments had drafted plans for a co-ordinated policy to hring down interest rates, but acknowledged that both Japanese and US governments might be anxious for lower rates.

The Tokyo Government was concerned about the impact of the combination of a higher yen exchange rate and higher borrowing costs of its domestic economy, while a joint move on interest rates held obvious political attractions for Mr Baker.

The officials, however, have identified e distinct difference in emphasis between the US Adminis-Continued on Page 18

Italy and Canada seek G5 role,

Page 5: Money markets, Page 33 German banks urged to back Baker plan

BY JONATHAN CARR IN FRANKFURT

WEST GERMAN banks should express support quickly – preferably by the weekend – for the Baker plan to ease the international debt crisis, according to a leading German banker.

Me Witer Scient chief executive port for the plan, but so far the German banker.

German delay on the issue.

day to discuss the plan, outlined by with other German institutes. Mr James Baker, the US Treasury Secretary, late last year. But Mr Seipp stressed that he felt it would be better if the banks could

expected to be discussed. Under the Baker scheme, com-

M. Walter Seipp, chief executive of Commerzbank, said last night that speedy action was needed to bead off foreign criticism of Deutsche, Dresdner and Commerzbank

bank - are known to be broadly to About 40 German banks are due favour and to regret that no comtc meet bere privately next Tues- mon stand bas yet been reached

Major German regional banks and the Landesbanks - publicsector institutes - have so far held back. Mr Seipp suggested that the state their support even before the Bonn Government or the central Group of Five meeting in London at bank should act as a moderator to the weekend, when the plan is help achieve a joint view.

He warned that the longer there mercial banks would agree to lend was delay, the more the German credit which are not currentS20bn to 15 deeply indebted states position would be open to foreign
Continued on Page 18 over the next three years, with a misinterpretation and criticism.

US sets budget cuts in train

BY OUR WASHINGTON CORRESPONDENT

CONGRESSIONAL and White reached \$212bn last year - by 1991. House agencies predicted yesterday that the federal budget deficit will rise to a record \$220bn this year. They also took the first steps towards ordering the automatic cuts in government spending required under the reformed budget proce-dures Congress and President Ronald Reagan approved in passing the Gramm-Rudman-Hollings Bill in

Under special procedures for the current 1986 budget the Congressional Budget Office (CBO), a branch of Congress, and the White House Office of Management Budget (OMB) jointly submitted e report indicating that the budget deficit this year will be sharply high. cit this year will be sharply high-er than the \$171.9bn which the Gramm-Rudman Act sets as a

target.
The move sets in motion a procedure which seems certain to result in the General Accounting Office (GAO) calling on Mr Reagan to implement on March 1 the \$11.7bn of cuts in government spending which the budget bill set as a maximum reduction for the current fis-

The legislation sets targets for

If Congress and the Administration cannot agree on their own package to hit the budget targets -the legislation leaves them free to construct a package which could, for example, include tax increases the automatic spending cuts or "sereduce any deficit to the legal target level.

The sequester order seems destined to cause widespread confu-sion in government. Mr Rudolph Penner, CBO director, said federal-

Yesterday in the first step of the procedure for the current fiscal year the OMB and the CBO sent to the GAO a 418-page document setting out both the economic and spending assumptions that led them to their budget deficit esti-

ly guaranteed bonds issued by the Washington Metropolitan Green Transit Authority will go into default" if the GAO agrees that its interest payments are subject to

The law says the cuts must be

non-defence spending, but large

areas of the budget have been put

off limits by the bill so the cuts actually fail on only just over 25 per cent of actual spending.

One of the big implications of the automatic spending cuts expected this year is that the military budget, which must appear a re-\$5.8bn, will as a result force a re-spending auduction in Pentagon spending au-thority to \$283.6bn from the \$292.6bn set in 1985 – the first yearon-year cut in military budget au-

thority since 1973. In its economic assumptions the OMB projects real economic growth in the current fiscal year to October 1986 at 3.5 per cent, compared with 3.0 per cent by the CBO.

Although the 1986 automatic spending cuts now seem destined to take place under the new law, the outlook for the fiscal 1987 budget is. to say the least clouded. The constitutionality of key sec-

tions of the budget bill are being challenged in federal court (the Reagan Administration's Justice Department is backing the chalmates, and detailing item by item lenge) and uncertainty exists about where a sequester order would make its savings.

The law says the cuts must be White House to tackle the deficit made equally between defence and problem.

Feature, Page 16

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Gulf strikes oil off south coast of Ireland

GULF OIL, a sushidiary of the GULF OIL, a sushidiary of the US oil company Chevron, has made a promising oil strike 30 miles off the south coast of Ireland in the Celtic Sea. The find in hlock 50/6, which flowed at a rate of 1,500 barrels a day of fine qualify crude oil, is about 20 miles away from a Gulf discovery in 1983. That flowed at a rate of 6,400 barrels aday, but subsequent drilling in that area proved disappointing.

The latest find appears production and spends ahout \$800m a year on importing mates that a field of up to 50m barrels of oil had been discovered. Following last year's relaxation in the Irish nil taxation laws, such a field so close to shore in a water depth of about 200 ft would most likely be commercial. Gulf is now carrying out further tests which are expected to yield at least 3,000 h/d.

Ireland has no indigenous oil

The latest find Ireland has no indigenous oil per cent stake.

production and spends about \$85,000 barrels a day of crude oil. A 50m barrel field with fine quality oil could be expected to produce up to 50,000 h/d, The other partners in the well are British Petroleum, British Gas Corporation, Union Oil of the US, and two Irish companies, Aran Energy and Atlantic Resources. All have a 16.6 per cent stake.

The shares of the two Irish companies were the subject of fevered speculation after the 1983 discovery, but Mr Joh Langhroek of Dublin stock-borkers J. & E. Davy said yesterday: "The market is holding its hreath on this one. It has been burnt nuce before." Yesterday, Atlantic's share price closed down Ip at 31p, compared with a peak of over 1984. Aran's shares gained Ip to 30p. gained 1p to 30p.

The same multinational consortium of oil companies made a promising gas discovery last year in Celtic Sea block 48/18. That is thought to be similar in size to the nearby Kinsale Head gas field. Ireland's only source gas production which supplies half the country's electricity needs. But it is a commercial oil find that has for so long eluded both the oil companies and the Irish Government. Government.

Why Community reform alarms the Danes

BY HILARY BARNES IN COPENHAGEN

DENMARK'S Prime Minister, Mr Poui Schlueter, is almost certain to go ahead with his threatened referendum on the EEC reforms package agreed at the summit in Luxembourg last month. It is also widely accepted that a negative vote would be the first step in Denmark's withdrawal from the Community.
The crisis has arisen because the opposition Social Demo-crats, with 56 seats in the 179-

seat Folketing (Parliament) are opposing the package. The parties supporting the minority coalition government have only 77 seats and need Social Demo-crat support to vote it through. There is still a faint possi-bility of the Government winning a narrow majority when Parliament debates the package next Tuesday if some Social Democrats break ranks. Even if this happens, bowever, Mr accounts for 21 per cent of the Social Democrats to the Schlueter may hold the merchandise exports—slightly reforms came as a sbock to referendum on the grounds more if sugar and beer are the coalition Government. No that be cannot base Denmark's included.

future in Europe on such an unreliable majority. Denmark's departure from the the EEC, which at this stage seems unlikely, would have severe consequences for its economy. "A 'no' vote would destroy our affinence," said Mr Schlueter this week. In the view of a Danish official who belped negotiate the Luxem-bourg agreement: "Denmark a banana republic. Who would ever invest in Denmark again under those eircumstances?

ITALIAN MEMBERS of the European Parliament will call today for rejection of the reforms agreed by the Com-munity leaders in Luxembourg last mouth in an effort to prevent grudging accept-ance of the package, writes Quentin Peel in Strasbourg. A substantial number of MEPs remain profoundly unhappy with the proposals, which would give only a modest boost to the involvement of the Parliament in

The latest move came after Mr Giulio Andreotti, the Italian Foreign Minister, requested a delay in the pro-

third countries. Agriculture

The Prime Minister and hia

Bond and share prices recovered bere yesterday after tumbling

A public opinion poll published earlier this week may

EEC if there were a referendum

nday and Tuesday.

posed signing of the reform package by the Council of Ministers on January 27 in order to consult the Italian The verdict of both the European and Italian Parlia-

ments is sought by Italy before the Government will lift its reservation on the reforms. The Italian concern is the opposite to that of Denmark, which regards the whole exercise as too radical. In spite of the move hy Italian MEPs, backed by West German Socialists, a majority of the European Parliament is expected in opt for a somewhat amhlguous acceptance of the package —

The negative stand taken by

Democratic, points of view

The party bas explained its

nough to persuade Italy to enough to persuade Italy to lift its reservation.

The most positive response is proposed by the European Democratic Group—the alliance of British, Danish and Spanish Conservatives—calling on the Parliament to accept the deal "with great reluctance." British Labour BEPs, on the other hand, want it rejected "on the basis that it gives too moch power to EEC institutions."

Apart from extra powers

Apart from extra powers for the Parliament, the pack-age would reduce the number of decisions which member states have to take mani-monsty and reinforce their co-operation on foreign policy questions.

market affairs Denmark's right to conduct its own policies for protecting the environment.

But these objections seem, in the light of developments, to be one has yet given a credible account of why the party acted government are gambling on a as it did. Throughout the positive vote, and Denmark's autumn it signalled that it financial markets apparently think the gamble will pay off. on the EEC reform negotiations. no more than a way of appear-ing a surge of anti-EEC feeling among the party's rank and file which has overwhelmed the Other members of the Community made significant con-cessions to Danish, that is Social

Deep-seated national attitudes and superficial tactical political reasons lie bebind the developpublished earlier this week may have strengthened Mr Schlueter's resolve to hold a referendum. While 44 per cent of those questioned said they would vote against joining the script many the

European integration was Agriculture would suffer on the issue now, only balf opposition by saying that it barely mentioned, which goes most. Not only would effect would actually vote to leave, cannot accept the proposed some way to explain why 5m markets be closed to Danish products, but farmers would a 55 per cent majority for lose subsidies for export to remaining in the Community, majority voting on internal sent stand for 310m other

members of the Community.
"Danish thinking on foreign policy lacks the external dimension, as a senior British diplomat put it. A Danish scademic added: "Our foreign policy has for generations heen hased on purely selfish hased on purely selfish considers tions."

Virtually no politician is enthusiastic about European union and there appears to be a strong undercurrent of feeling that, in an integrated Europe, the Danes would be lost in the crowd.

In contrast, such small coun-

tries Belgium and the Netherlands see European integration as their guarantee of national survival. Historical experience may explain these deep-rooted differences of attitude.

The Social Democrate them lves were deeply divided by the 1972 referendum and wounds have never healed, as the 1984 elections to the European Parliament showed. The party can count on winning about one-third of the votes in Danish parliamentary elections hut in the European elections it ohtained only 19 per cent.
as its supporters deserted in
droves to the People's Movement Against the Common
Market.

In its present situation in opposition, the party has had to watch its own opinion poll ratwatch its own opinion poll ratings fail to improve, while support for left-wing rivals, the
anti-EEC and anti-Nato Socialist People's Party, has steadily
advanced from about 11 per
cent in 1984 to 15 per cent today. This has been an important factor influencing the
party's attitude to the EEC in
recent days.

MEP urges

By Quentin Peel in Strasbourg

MEMBERS of the European Parliament were yesterday urged to seek increased subsidies to export EEC farm surpluses in spite of the likely backlash on world markets.

Christian Democrat author of an important report on reform of the common agri-cultural policy which caused deep divisions in the ranks of the 518-strong Assembly.

too much money on storage costs and too little by means of direct export refunds," Mr Tolman said.

on the threshold of a new wave of increases in farm entput when there was already no balance between already no balance between supply and demand. But he flaily rejected sharp price cuts fer farm products, or the imposition of strict quotas on cereal production, as part of any package of reform measures.

"We cannot forever protect the agricultural industry from the disciplines of the Gatt," she said. To do so would place in jeopardy the negotiations on a new round of the agree-

Other MEPs warned that the reforms would inevitably cost money. Mrs Magdalena Hoff, West German Socialist spokesman far the Budget Committee, said the inmediate cost was likely to be even greater than the short-term budget burden of the present policies.

Mr Frans Andriessen, the Mr Frans Andriessen, the Commissioner responsible for agriculture, defended the Commission's reform proposals providing for a combination of heiding down prices and imposing a "corresponsibility" tax on farmers to help pay for the cost of disposing of surplus production. The Commission has ruled out quotas as too has ruled out quotas as too bureaucratic and difficult to

Mr Andriessen warned that with the value of food in storage now more than Ecu 9bn (£5.4bn), "the quantities involved not anly depressed market prices within the Community and on the international markets but also means very substantial tosts for storage and interest payments."

administer.

Surpluses warning, Page 32

Dissident **Poles** may face prison

By Christopher Bobinski

MEMBERS of "Peace and Freedom," a new Polish dissident group arguing for a nuclear-free, neutral Europe, could soon go to prison fol-lowing a decision this week by a Warsaw misdemeanours court to uphold a 50,000 zlotys (\$330) fine on five of them.

The group is made up of Solidari-

ty supporters, but it differs from the banned movement in adopting open civil disobedience as a method of protest and maintaining contact with Western peace movements. Members of the group have sent

back their military registration cards, which all Poles eligible for military service are supposed to keep, in protest at the continued imprisonmant of Mr Marek Adamkie wicz. While in the army, he refused to take the military oath and was sentenced to 2½ years in prison in December 1984. He was protesting at the text of the oath which includes allegiance to the Warsaw Pact and not merely to the defence of the country.

The Peace and Freedom group is demanding that the text of the oath be changed.
Just before Christmas, one sym-

pathiser from Gdansk who refused to do his military service in protest at the army's role in imposing mar-tial law in 1981 was sentenced to 3% years in prison.

 Poles and gypsies have raised demands for compensation from West German companies for their forced labours during the Second World War, writes Leslie Colitt in Berlin.

The calls for indemnification follow the payment last week of DM 5m (\$2m) to surviving Jewish forced labourers under the Nazis. It was made by Feldmühle Nobel, previously part of the Flick Group, which employed unpaid forced labour.

The Polish media calls for indemnification for hundreds of thousands of Poles who were slave labourers in Nazi Germany. It was noted that most of the foreign workers in Germany at the time were Poles, followed in number by Soviet

East Europeans who suffered under the Nazis were not compensated by the West German-Government, which paid \$25bn in restitution to Jews in the West for individual losses.

The West German Central Council-of Sinti-and Romany Germans: said it had written to the Deutsche Bank about compensation for gyp-sies who were forced labourers at Flick. The Flick Group is being sold to the Deutsche Bank, which will offer the shares to the public.

The gypsy organisation, which represents about 50,000 people, said only a few hundred gypsies in West ers, were still alive. It called on German industry to create a fund for them and to pay a "symbolic com-pensation as had been done with

the Jews." Several German companies which employed forced labourers paid compensation after the war, but many others did not. East Germany has refused any restitution to persons who suffered under the Nazis, arguing that it is not a legal suc-cessor to the German Reich. It does, however, pay special pensions to victims of Nazi persecution who live in East Germany.

Nuclear fusion research to be pooled

By Daniel Marsh in Paris

THE US, Japan and the EEC yesterday agreed to pool their research efforts in nuclear fusion technoloby almed at providing an almost limitless energy source in the next century.

tury.
The agreement, signed in Munich, will provide for exchanges of information ebout the workings of their separate Tokamak fusion reactors. These are devices providing conditions— at temperatures approaching 100m deg C—under which the heavy isotopes of hydrogen, tritium and deu-terium can fuse, releasing energy by duplicating the chemical reaction that provides

chemical reaction that provides heat from the sun.

Negotiated under the auspices of the Paris-based International Energy Agency, the agreement is intended to reduce duplication of research. Costs of nuclear fusion research run into bundreds of millions of dollars, although there is no prospect of fusion becoming commercially practicable until well into the next century.

Le Pen wins suits

MR JEAN-MARIE Le Pen, leader of the extreme right-wing National Front in France, yesterday won five defamation suits over allegations that be tortured prisoners while in the army during the Algerian war of independence, AP reports from

Suharto braced for difficult times Indonesia suffers economic setback as oil prices slump

BY ALAIN CASS. ASIA EDITOR, RECENTLY IN JAKARTA

RICH INDONESIANS like to RICH INDONESIANS like to shop in Singapore, Hong Kong and Paris. They throw laviah wedding receptions, drive expensive cars and wear an abundance of jewellery. They do not exactly flaunt their wealth hut they are not coy about it either.

The oil boom has heen good to Indonesians—at least to some of them. Billions have heen spent on development, Fortunes have heen made and

fortunes have heen made and foreign companies—led by the Japanese and the Americans—have cashed in on the bonanza. But all that is changing.

The world's fifth most populous pation is in serious.

lous nation is in serious economic trouble and there are economic trounic and there are no immediate prospects of a rapid recovery. Faced with shrinking oil and gas revenues which account for 60 per cent of the state budget and 70 per cent of export earnings it has slashed spending for the fourth year running.

year running.
Economic growth, forecast at
5 per cent, was down to 3 per
cent last year and is dropping. "With no apparent rise in oil prices, we may be witnessing a structural change in Indonesia's economic prospects,"

said one economist. Although last week's draft budget presented by President Suharin was the first time planned spending was cut in 17 years, the move was part of a belt-tightening process which began in 1983 and which has hecome progressively more painful. In his speech Presipainful. In his speech President Suharto, who warned of a "difficult and hard field of struggle ahead," announced there would be no new projects this year, that overall spending would be cut by 7 per cent and development expenditure by 22 per cent.

ture by 22 per cent.

Most observers agree that
President Suharto has acted
courageously, But for the man
who likes to be known as the
father of Indonesian development, the downward spiral of the country's economy follow-ing the oil boom years when expectations soared and rapid

increases in wealth secured political stability, the recession represents a clear setback.

President Suharto. 64, whose term of office expires in 1988, will almost certainly want to stay on into the 1990s. Most of his advisers agree that the worst is not yet over for this country of 13,000 islands which

stretch across an area wider than the US.

Economic bard times for Indonesia are also likely to rule out any relaxation of political freedom which has

been tightly controlled by the army-backed Government. Although there are no signs of widespread social unrest there are some fears that a

discontent among the young, the nrban poor and, especially, reserves are over \$10bo.

the growing number of Islamic fundamentalists, Dissent, barely \$2.5bn in commercial borrowing

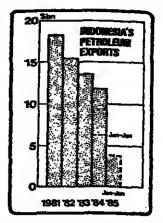
a day and an average export price of \$29 per barrel.

The actual daily ontput has averaged 1.18m h/d and the price has dropped to less than \$27 per barrel. Each \$1 drop in price slashed more than \$300m from Government receipts. F-16 fighter aircraft for a while.

The initial impact of an inindicate that the regime is

The initial impact of an increase in receipts from liquefied natural gas (LNG) exports as major, new installations came on stream is unlikely to he repeated aince LNG export prices are largely tied to the average export price of Indonesian crude oil.

Budget planners have based which are partly responsible for the cruent waste and corruption.



export price over the current year—but with some analysts predicting an oil price war ia the coming months President Suharto'a advisers conceda that a more drastle decline in world oll prices could force further cuts in spending.

After several years of healthy growth, economic activity grey hy no more than eround 3 per cent last year. "There are already signs of stagnation, A collapse in nil prices to below \$22 ?, harrel could spell real trouble," one diplomat said. The problem is compounded by the poor performance of me, oil exports. With the exception of coffee, world commodity prices remain depressed. After a growth rate of 17.2 per cenoil exports grew only mar-

ginally last year. Indonesia's small but growing industrial sector is mired in a slump with many concerns operating below capacity and record number close to bank

Japanese companies, by far the largest foreign investors in Indonesia, recently announced that over 40 per cent of their joint ventures were losing

money.
Other factors likely to cause problems are the continued slowdown in the world economy, increased protectionism likely to affect Indonesia's troubled textile sector and increased debt repayments estimated to reach \$bn (£2.9bn) this year. Indonesia's foreign debt totals

\$27bn. The net effect of all this bid news is that the prestigious fourth five-year plan, Repelled IV, inaugurated in 1984, is already in sbreds. Large capital outflows—Indonesia has so foreign exchange controls—me a drop in both foreign and domestic investment foreshadow

even slower growth.

There are some bright spots. Indonesia, once the world's largest rice importer, is now self-sufficient. The current in living standards could fuel account deficit of \$2.8bn list fundamentalists. Dissent, barely fundamentalists. Dissent, barely tolerated, is likely to he even more harshly dealt with.

The hasic cause of Indoesia's economic problems lies in the slide in oil and gas prices. Last year'a budget was based on a projected output of 1.3m harrels a day and an average export price of \$29 per barrel.

The actual daily ontput has the strength of the

Last week's spending cuts, which even hit the all powerful armed forces who may, for example, have to do without F-16 fighter aircraft for a while,

nesian crude oil. ment, waste and corruption.
Budget planners have based their estimates on a \$25 a barrel the country's problems.

Asia.
The study, which focuses on South Kores, Indonesia, Pakis tan, Philippines, Sri Lanka and Thaitand, is being discussed in detail by international bankers and finance apecialists from 20 countries in a three-day symposium here presided by former US Treasury Secretary, Mr Henry Fowler.

Bankers attending the meeting generally agree with the

six countries were inefficient sourcea of medium- and long-

of independence, AP reports from Paris.

He was awarded a total of FFF 39,000 (\$5,177) in damages and interest.

He army during the Algerian war Companies and even governmenta resort to borrowings to finance capital intensive projecta, only to meet repayment problems later.

What the army during the Algerian war companies and even governmenta resort to borrowings to finance capital intensive projects. What the army during the Algerian war companies and even governmenta resort to borrowings to finance capital intensive projects.

DEVELOPING countries must s wide-ranging structural reexpand their domestic capital markets if they are to achieve high rates of economic growth and escape the debt trap, says the Mauila-based Asian Development Bank in an exhaustive study on capital markets in markets in the area by venturing little direct equity investigation. ing Into direct equity invest-ment and lending to private sector without government guarantees.

FINANCIAL TIMES

Reagan calls for 'real progress' on arms

BY REGINALD DALE, US EDITOR IN WASHINGTON

PRESIDENT Ronald Reagan ton's view that the next step research programme, still the said Mr Kenneth Adelman, yesterday called for "great must be a Soviet response to the most contentious issue... director of the US arms control The US side has been interused to agree the solution of the US arms control and disarmament agency.

With both sides committed by the summit to accelerating forward the momentum gained weapons, and an interim agree- Moscow is now ready to agree at November's super-powt ment on intermediate range to progress on offensive systems summit.

Mr Reagan urged Soviet acceptance of the latest US arms reduction proposal, tabled just before the summit, but added that the offer was not "a Soviet side is ready to make the sum
Mr Reagan urged Soviet agreed in principle at the sumissue. US officials, bowever, still want concrete signs that such "linkage" has really been dropped

Soviet side is ready to make Moscow must also accept that

by the summit to accelerating the pace of the talks, Washing ton sees an interim agreement

on intermediate-range missiles ficant advance in at least some

as possibly the most promising prospect. The US would like to be able to achieve a signitake it or leave it proposition."

The American negotiators were ready for "tough but honest bargaining"

The American negotiators were mediate-range missiles in the cade of any agreement on defence has not the slightest the defensive systems envisaged under Mr Reagan's "Star Wars"

The American negotiators were mediate-range missiles in the cade of the second Reagan-defence has not the slightest chance of being met" if there is to be real progress in Geneva, year.

Reinforcing this impression of new-found cohesiveness in the East is the closer co-incidence of Soviet and East

David Buchan reports on the Soviet leader's regional policy

Gorbachev draws allies closer Gorbachev is proving himself a much more vigorous manager of the Eastern alliance, both in its economic guise as in its economic guise as Comecon and military guise as the Warsaw Pact, than his Kremlin predecessors.

This assertiveness has given soviet alliance leadership a consistency it lacked in the early 1980s as new alliance managers have heen brought in.

One of the latest casualties in the seemingly endless changing of the Moscow guard is Mr Konstantin Rusakov, the veteran Soviet central com-mittee secretary responsible for

mittee secretary responsible for dealing with fraternal Communist Parties.
On the military side, contrary to repeated rumours, Marshal Viktor Kulikov remains the (Soviet) commander of the Warsaw Pact, and last year a new chief political commissar was appointed to the Soviet forces. A key part of the job forces. A key part of the job la to liaise with other "agitprop" sections in East European armies. Soviet commanders in East Germany

Mr Gorbachev has also appointed new amhassadors to such key allies as Poland and also a new permanent representative to the Comecon organisation.

Mr Gorbachev has seen to it that more summit meetings are four sreas where the East lags that more summit meetings are held. Eastern summits have been highly erratic in the past, compared to the regularity of the North Atlantic Treaty Organisation (Nato) and EEC conclaves. In 1984, Soviet and East European Communist Party leaders held their first summit on Comecon husiness



Mikhail Gorbachev . . . shaping the Eastern alliance to

his allies in Prague on his way home from the Geneva meeting with President Reagan. This not only seemed a conscious matching of Mr Reagan's Space Defence Initiative (SDI), though this 23 stoutly refuted in Moscow.

Marsaw Pact leaders Mr Gorhachev'a assessments before the rest of the Soviet polithure.

A further ares the Soviet leader has heen active in is the introduction of new programmes, in particular, the agreement signed by Comecon premiers last month to pool their high technology efforts over the next 15 years.

the reat of the Soviet polithuro.

four sreas where the East lags behind the West—and nuclear energy, is described by Moscow officials as Comecon's version of Western Europe'a Eureka But it has political and mili-

capital are West German re-ports that last year the Soviet defence minister told Warsaw detence minister told warsaw
Pact members allied help was
needed in a Soviet SDI effort,
and that East Germany in
perticular was already par-

ticipating. The Soviets may derive wry satisfaction at seeing how even the fate of one small UK belicopter company, Westland, can polarise Western defence contractors into "American" and "European" camps. But they also know that co-operation in the Eastern alliance, particularly outside the purely military area, has been far from good.

Perhaps indirectly to underline that the new Comecon accord on high tech will not go East European Communist
Party leaders held their first
summit on Comecon husiness
for 15 years. Last year the
prime ministers of Comecon
member countries—unusually—
met twice.

On the political-military side
of the alliance, the Warsaw Pact
held a summit last Octoher, its
first for nearly three yeers,
apart from the formality of its
treaty renewal last May.

Even more striking was Mr
Gorbachev'a decision to hrief

But it has political and military accord on high tech we the way of past or
agreements, Mr Nike
kov, the Soviet Prime
commented recently
the imperialist West
ing "recourse to form
and invulnerability to, pressure
and hlackmail on the part of
limperialism depends on our
successes in this sphere."

Given the dual use of the
the way of past or
agreements, Mr Nike
too, the Soviet Prime
commented recently
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ing "recourse to form
successes in this sphere."

Given the dual use of the
technology concerned the agreement could also be part of the the way of past co-operation agreements, Mr Nikolai Ryzh-kov, the Soviet Prime Minister, commented recently that even the imperialist West was making "recourse to forms unusual to capitalism, those that are actually borrowed from social-ism—to the drawing up of state and interstate programmes of scientific and technical development." such as Eureka, the EEC's Esprit and maybe

European views on foreign policy. There was a fractious period in 1983-84 when Moscow pulled out of disarmament talks with the US and then atamped on efforts by President Erich Honecker of East Germany and

Honecker of East Germany and President Todor Zhivkov of Buigaria to keep a "minidetente" in Europe alive.

The prime architect of that "cold shoulder" policy, Mr Andrei Gromyko, has been elevated to the Soviet presidency, while like-minded men, Mr Stefan Olszowski and Mr Konrad Naumann, have been dropped from the Polish and East German polithuros.

More important, President More important, President Reagan, or any other Western leader, can no longer be presented to Eastern Europe as a political leper, after being received with such public warmth by Mr Gorbachev in Geneva.

Geneva.

A trip to West Germany by
Mr Honecker, which would be
the first by an East German head of state, is a real possi-bility again this year. So, for the moment, the in-terest of Eastern Europe, especially Hungary and East Ger-many, in cultivating the West is consistent with Soviet goals,

and therefore tolerated by Moscow.

Equally, Moscow has made it clear that its allies are to act "in concert" with itself as ocoductor.

Mr Gorbachev's opportunity
to shape the Eastern alliance
further to his liking increases this spring: the Soviet party congress next month will provide a beacon for subsequent party congresses in most East European countries to steer by.

Four of the six East European leaders are roughly 20 years older than Mr Gorbachev, and their 1986 party congresses will probably be their last in office. Mr Gorbachev will surely have some say, no matter how indirect, in the choice of their successors. this spring: the Soviet party con-

farm export subsidies

The plan was proposed by Mr Teun Tolman, the Dutch

"For too long we have spent

He warned that Europe was

Increased export subsidies were attacked sharply by Dame Shelagh Roberts, the British Conservative chairman of the External Trade Committee.

ment to reduce international tariff barriers.

present pelicies.

Third World nations urged to expand capital markets

BY SAMUEL SENCREN IN MANILA

study on capital markets in

ing generally agree with the findings of the two-year study that the capital markets in the

sourcea of medium- and long-lerm funds for investment.

The aituation, which is probably true with the rest of the Third World, has led to an umbalanced structure "that is heavily skewed toward the provision of debt."

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Chinese reject **Soviet** pact plan

THE CHINESE Government said publicly for the first time yesterday that the Soviet Union for many years had proposed a mutual non-aggression treaty, and China categorically rejects the idea, AP reports from

A Foreign Ministry spokes-nan repeated China's stand that political normalisation can only be achieved through the removal of "three obstacles" separating the Communist

Those obstacles are the Soviet troops in Afgbanistan, Soviet troops in Algorithman's Soviet backing for Vietnam's occupation of Kampuchea, ond the heavy deployment of Soviet troops along the Chinese bor-

der.
"We have time and again
the removal of "We have time and again reiterated that the removal of the three obstacles is the only way to normalise Sino-Soviet relations because it has a bearing not only on China's security but also on the upbolding of international justice," Li Zhao-

The spokesman also dismissed an Afghan government claim that China is arming and training Afghan resistance guerrillas. The Babrak Karmal Government in Kabul made the allegation in a "white paper" presented to the UN in late December.

The Chinese spokesman said: "Recently, while carrying ont their military suppression of Afghan national resistance forces, the Soviets and the Karmal authorities have made false charges against China.
This is an habitual deception which has been seen through by all people and is not worth

 The Soviet and Japanese foreign ministers, meeting in to Israel. Tokyo yesterday for the first high-level talks in eight years, candidly discussed "Star Wars," the Soviet military build np in Asia, and other points of East-West friction but also re-affirmed their desire to improve

Ing-strained ties.
Mr Edward Shevardnadze,
the Soviet Foreign Minister,
cautioned Japan about a possible endorsement of the US strategic defense initiative, while his Japanese counterpart voiced concern over the bolster-ing of Soviet naval and unclear missile power in Asia, said a Foreign Ministry official, who spoke on condition that he not be named.

Thai Cabinet reshuffled after election upset

By Boonsong K'Thana in Bangkok THE THAI Government last

That indicated that units loyal to the head of state were at least in control of the transmitter but little else. Other reports indicated no clear resolution of the conflict



who advocate even closer ties to Moscow.

The fate of Mr All Nasser Mohammed remained unclear and the fact that he did not speak himself nn Radio Aden lent some credence to Tues-day's reports that be had been badly wounded in the conp attempt on the previous

There was no confirmation either that his rival and opponent, Mr Abdul Faith Ismall, had been executed with three of his supporters as Aden Radio had claimed on Monday.

A rebel radio station broadcasting from Lahej, about 30 miles north of Aden, said that the four men

were still alive.

Confusing the picture further, two Arab newspapers of the region. Al Seyassah of Kuwait and Al Ittihad of Abu Dhabi, re-ported that the second lead-ing figure reported to have been executed had been killed in the coup attempt.

They said that Brig Ali
Ahmed Nasser Aniar, a
former Vice President
and Minister of Defence, had
been shot dead after be
pulled a gun and attempted
tn kill the head of state after

Al Seyassah reported that Ali Nasser Mohammed, who bas been president since 1980, was wounded and taken

to hospital but that other leaders of the coup attempt had been seized, tried and executed.

angan kana mengangan pengangan diangan pengangan diangan pengangan pengangan pengangan pengangan pengangan pen Pengangan pengangan

Foremost among them, according to Radio Aden's initial account of the savage showdown three days ago. would have been Mr Abdul Fattah Ismail, head of state for 19 months in the 1978-80 period, who was Mr Ali Nasser Mohammed's predecessor as head of state and who sor as nead of state and who only returned from Moscow about a year ago. He re-gained his place in an enlarged YSP politbureau in

Mr Ali Nasser Mohammed started to improve relations with the conservative Arab states of the region after Mr

Abdul Fattab Ismali's resignation and departure for the Soviet Union in 1980 for "health reasons," according to the official version of the

Reports of the fighting yesterday indicated that units of the Air Force, where the infinence of Soviet and Cuban advisers is probably stronger. were pitted against the Army. Aircraft bombed Aden in-ternational airport and the

harbour district, according to

It quoted Japanese trade company representatives as saying that Aden was a battlefield with air, telex and telephone links cnt. Only shipping radio communications remained intact.

rights of strikers in S. Africa

Court backs

By Jim Jones in Johannesburg STRIKERS' RIGHTS were entrenched in South Africa this week when the Pretoria Supreme Court found ogainst the Marievale Gold Mine which had sacked 900 men who were participating in a legal strike following a break-down of wage negotiations last September.

Gencor Group, claimed at the time that it was legally entitled to dismiss the striking miners, and this was upheld by the Rand Supreme Court in Johonnesburg.

However, the National Union of Mineworkers (NUM), which represented the men, took the case to the Industrial Court (IC) for a ruling.

In November the IC comprebensively cruicised Marievale's

handling of the dispute and said that the NUM had actively pursued mediation and arbitra-tion during an industry-wide dispute. It instructed the mine to re-instate 390 union members on the grounds that the mine's labour practices were largely unfair.

Maricvale responded that it would rather pay out the men as their jobs had been taken by replacements and the mine appealed against the IC's find-ing to the Pretoria Supreme Court.

Gencor, which Africa's second largest mining house and is controlled by Sanlam, the Afrikaner insurance group, strenuously denies allegations that it is adopting a confrontational approach to emergent black unions or that its mines' mass dismissals are a form of union-busting. However, last week Impala Platinum, another Geneor group company, sacked 20,000 miners at its non-union striking miners at its Bophuthaiswana mines.

S. Yemen leader's fate unclear as fighting continues

THE state-owned Radio Aden resumed transmissions yesterday for the first time since Monday night saying that "Government forces"meaning those loyal to President All Nasser Mohammed-had regained control of the country. It claimed that the politbureau of the ruling Yemen Socialist Party had been meeting continuously.

resolution of the commer between the supporters of the pragmatic leader of the People's Democratic Republic of Yemen and units of the



armed forces owing allegiance to the more doctrinaire Marxists of the ruling party

Israel's inflation rate slumps

a record 445 per cent in 1984, Association, the representative from an annual average fell to 185.2 per cent last year. body of private industry, said The Government is bailing this that these figures and especially as a major triumph for its the 1.3 per cent inflation recorded in December made.

In the wake of this success The Government is bailing this as a major triumph for its economic policles.

In the wake of this success the Treasury is planning to ask the unions to ogree to abandon the traditional automatic linkage of wages to the retail price index. This indexation is generally regarded as a key element in maintaining tha price spiral and in blocking efforts during the past eight years to bring inflation under control.

that these figures and especially that in these figures and especially recent in 1978.

A voluntary wages and prices freeze, agreed with the unions in early 1984, helped to cool down the frantic pace of price down the frantic pace of price in the second balf of 1985, by a said recently that interest rates in the second balf of 1985, by a said recently that interest rates in the second balf of 1985, by a said recently that interest rates in the second balf of 1985, by a said recently that interest rates in the second balf of 1985, by a said recently that interest rates in the second balf of 1985, by a said recently that interest rates in the second balf of 1985, by a said recently that interest rates in the second balf of 1985, by a said recently that interest rates in the second balf of 1985, by a said recently that interest rates in the second balf of 1985, by a said recently that interest rates in the second balf of 1985, by a said recently that interest rates in the second balf of 1985, by a said recently that interest rates in the second balf of 1985, by a said recently that interest rates in the second balf of 1985, by a said recently that interest rates in the second balf of 1985, by a said recently that interest rates in the second balf of 1985, by a said recently that interest rates in the second balf of 1985, by a said recently that interest rates in the second balf of 1985, by a said recently that interest rates in the second balf of 1985, by a said recently that interest rates in the second balf of 1985, by a said recently that interest rates in the second balf of 1985, by a said recently that i

Spain on brink of diplomatic ties

BY TOM BURNS IN MADRID

The official repeated China's denial of statement by Mr Mikhail Kapltsa, the Soviet Depnty Foreign Minister, that the Chinese and Soviet foreign ministers will exchange visits

REPORTS of stepped-up security at the main Spanish airports and at other potential Arab terrorist targets fuelled expectations yesterday of an imminent decision by the Madrid Government to extend

Press comments in Madrid this year.

Suggested that the announcement could be made on Friday Mr Narcis Serra, the Defence

when Mr Francisco Fernandez Mr Narcis Serra, the Defence Plans in the past to normalise official visit to Egypt where stalled by fears of an Arab Minister, returns from a tour of officials said to applicate the country of the count

security at the main Spanish decision to President Last Friday, Mr Fernandez Hosni Mubarak.

I arab terrorist targets fuelled expectations yesterday of an imminent decision by the Madrid Government to extend full diplomatic representation to Israel.

Press comments in Madrid Suggested that the announce-

WORLD BANK STUDY CRITICISES POLICIES

Egypt falls short on 5-year plan

EGYPT has fallen well short of its five-year targets according to a 1985 World Bank study which is also critical of the plan. The report, recently circulated among international agencies and western Governments, says the 1982-83 to 1988-87 plan "sets ambitions goals" but contains "little to indicate the specific policies needed to reach these goals."

Gross domestic product (GDP) growth in the first two night announced a major years was about 6 per cent compared with a target of 8.5 per cent. The domestic savings effort has not shown any significant improvement and investment has fallen short of the plan's expectations, the report

The shake-up came one day after Mr Kosol Krairiksh, the Commerce Minister, tendered his resignation wer the failure of his programme to guarantee paddy prices for Thai farmers, who earlier held a series of rallies in Bangkok.

The party was shaken by a Bangkok election defeat and the resignation of its longtime leader, former Prime Minister Kukrit Pramoj.

Three other SAP Cabinet members, Mr Prayoon Chindasilp, Deputy Commerce Minister Rumbers, Mr Prayoon Chindasilp, Deputy Commerce Minister, Mr Boonchit, Deputy Agriculture Minister, and Deputy Interior Minister, and Deputy Interior Minister, Mr Boonchin Thongsawasdi, also a SAP member, was replaced by the acting SAP leader, Mr Siddhi Savetsila, who is also Foreign Minister.

Ment As fallen short of the plan's expectations, the report add.

The World Bank estimates of the International Monetary Fund.

The World Bank says that the estimates of the International Monetary Fund.

The World Bank says that the late President Anwar Sadat, to encourage foreign investment aspidly gorwing public investment in programme we reward a continuation of its longtime flat the late President Anwar Sadat, to encourage foreign investment.

The World Bank studg comment we reward a continuation of its longtime flat the later President Anwar Sadat, to encourage foreign investment aspared to the relative flat the later President Anwar Sadat, to encourage foreign investment in programme we reward a continuation of its longtime flat the stimates of the International Monetary Fund.

The World Bank says that the estimates of the International Monetary Fund.

The World Bank says that the later President Anwar Sadat, to encourage foreign investment in programme we reward the later President Anwar Sadat, to encourage foreign investment.

The World Bank studg comment we reward in programme we reward the later flat the stimates of the Internation of Implementing a limited with the estimates of the Internat

Egypt has refused an Israeli request for a report on the killing last year of seven Israeli tourists by a policeman who was subsequently jailed for life, Egypt's refusal complicates efforts by the two countries to resolve their Taba territorial dispute. Israel's Cabinet this week approved measures providing for possible arbitration in settle the dispute but which also included a request for a report m the murders.

sources of foreign exchange are being squeezed) will have The bank outlines what i

• Raising energy prices to world parity over 10 years beginning in 1985-86. This policy assumes that all public sector enterprises would pay the increased charges.

\$24.1bn by mid 1984, giving a debt service ratio of 31 per cent— a figure thot corresponds with the estimates of the International Monetary Fund.

The World Bank says that since 1974 (tha year of the open door policy instituted by the late President Anwar Sadat, the correspondent of the late President of the later of the official rate to the market exchange rate.

• Shifting the exchange rate for calculating customs duty from the official rate to the market exchange rate.

• Implementing a limited increase in public enterprise prices, so as to yield additional revenue of about 0.5 per cent of GDP per year by the end of 1991-1992.

"The world beautiful the president of the later of the late

to make better use of "existing productive assets in the public sector" if it is to maintain reasonable rates of growth. describes as a minimum package of necessary policy reforms which include:

Gemayel loyalists 'capture rebel Christian leader'

LEBANESE President Amin dashed hopes of implementing Gemayel's main Chirstian rival, Mr Elie Hobeika, surrendered

They said that Mr Hobeika called army commanding Gen Michal Aoun by radio from the bunker of his beseiged headquarters to say that be had ordered his men to lay down their arms. They said two armoured personnel carriers were then despatched to avacu-ate Mr Hobeika and senior

Mr Gemayel'a victory also on the purpose of the visit. tonnes.

a Syrian-sponsored peace pact Mr Hobeika had signed with yesterday as loyalist forces
stormed his headquarters near
Beirut barbour behind a tank
and gunboat barrage after eight
hours of heavy fighting,
military sources told AP.

The problem warlords on Derember
28 to end Lebanon's 10-year
civil war. The President
opposed the pact with other
charged it surrendered to
military sources told AP.

The problem warlords on Derember
to Hebanon's much power to Lebanon's Moslem's after four decades of

Christian domination.

Reports of the surreder come as Mr Walid Jumblatt, the Druse leader and the Shi'ite Moslem chieftain, Mr Nabih Berri, who signed the treaty with Mr Hobeika, met in West Beirut to were then despatched to avacuate Mr Hobeika and senior aides.

Mr Hobeika's surrender bolstered Mr Gemayel's prestige Syrian Vice President Abdnitians, crushing challenge by the 29-year-old former bank clerk that only two days ago bad the President apparently isolated.

Hobeika, met in West Beirut to discuss what aides called "ways of coping with the current betrayal of the peace accord."

Syrian Vice President Abdnithalim Khaddam, arrived unexpectedy in Riyadh yesterday for talks with Saudi press agency reported his arrival, but did not elaborate Saudi press agency reported his arrival, but did not elaborate

Zambia clears obstacles to deal with IMF By Patti Waldmeir in Lusaka

AMBIA bas repaid some SDR 115m (£87m) in orrears to the International Monetary Fund (IMF), removing the last major obstacle to agreement on an IMF standby programme for

arrived in Lusaka late last week for consultations which should make it possible to reach final agreement on a new standby credit by mid-February.

Zambia can expect to rereive some SDR 100m under the pro-posed programme in 1986, as well as up to SDR 60m frum the Fund's compensatory finan-cing facility because of an un-expected shortfall in earnings from the country's major export, copper. Copper production last year is understood to have fallen os much as 100,000 tonnes short of the Goveroment's 1985 target of 525,000

mant appears as a matter of record only.

All these Bonds having been sold, this announce-

WestLB Finance N.V.

Curação, Netherlands Antilles

A \$ 50,000,000 14% Bearer Bonds due 1991

Secured on a Deposit with the London Branch of

WESTDEUTSCHE LANDESBANK GIROZENTRALE

WESTDEUTSCHE LANDESBANK GIROZENTRALE

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KREDIETBANK INTERNATIONAL GROUP

THE NIKKO SECURITIES CO.,

(EUROPÉ) LTD. **ORION ROYAL BANK**

YAMAICHI INTERNATIONAL (EUROPE) Limited

SECURITY PACIFIC

FUJI INTERNATIONAL FINANCE Limited

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GRINDLAY BRANDTS Limited

MERRILL LYNCH CAPITAL MARKETS

SANWA INTERNATIONAL LIMITED

ZENTRALSPARKASSE UND KOMMERZIALBANK, WIEN

NIPPON CREDIT INTERNATIONAL (HK) LTD.



BY CHRISTIAN TYLER, TRADE EDITOR

THE international bidding for with Kobe Steel of Japan. two large process plant contracts in the Soviet Union, together thought to be worth over \$4bn (£2.5bn), has intensified with the emergence of Japanese financing offers. The other project is for e polyolefine plant at Budyonnovsk in the north Caucasus to produce 250,000 tonnes annually of ethylene.

According to reports in The bidders here include: Tokyo, Japanese consortia are John Brown of the UK; Technip offering long-term credit at of France; Montedison of Italy; rates of 6.7 to 6.8 per cent in and a Japanese consortium of the bope of beating competition from the UK, West Germany, France and Italy.

The Soviet Union is expected soon to award contracts for the plents, both of them on a "turnkey" basis (where the victorious contractors bave final responsibility for building and

One project is for a polyester textile complex at Blagoveshchensk in western Siberia, which could cost \$2.8bn to build, producing 230,000 tonnes a year of terepbthalic

The contenders include interestration of the contenders of the con

Ericsson awarded **Brazilian** orders

By David Brown in Stockholm

M. ERICSSON, the Swedish telecommunications and elec-tronics group, has won orders worth \$100m (£69.9m) from the Brazilian Government-owned Telebras PTT.

Included are several contracts for local and transit AXE digital telephone exchanges for about 600,000 subscriber lines which are to be installed throughout Brazil starting in

The group's Ericsson do Brasil subsidiary, which is to manufacture and deliver the equipment, won the contracts in competition with Siemens, NEC and ITT.

The biggest order, providing finance at 7.3 per 300,000 local lines, will be sup-cent, with the consortium com-plied to Telesp of Sao Paulo. plied to Telesp of Sao Paulo. Another large contract has been signed with Embratel, the long-distance administration. Both are traditional Ericsson custo-

The group described several for export credit, which allow lower rates to be offered in low interest-rate currencies.

The UK companies have entered their bids, and discussions on the financing are in progress.

The group described several smaller orders for local exchanges from other Telebras subsidiaries as "breakthroughs" in its competition against the Japanese and German suppliers on the Brazilian market.

NOTICE OF REDEMPTION

Mitsui and Co. Mitsui Shipbuild-

ing and Engineering and Toyo

According to the Japanese

shouldering

the

daily Nihon Keizai, the

Japanese Export-Import Bank is

This rate appears to be in line with informal rules set by

the Organisation for Economic Co-operation and Development

for export credit, which allow lower rates to be offered in low

Engineering.

difference.

To the Holders of

WESTPAC BANKING CORPORATION

1276% Subordinated Bonds due 1992

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Trust Deed dated January 31, 1985, \$10,000,000 principal amount of the above described Bonds has been selected for redemption on February 18, 1986 at a redemption price of 101% of the principal amount thereof, together with accrued interest to said date, as follows:

BONDS OF U.S. 85,000 EACH 3 1332 2784 4325 5614 6810 8118 9480 10764 12138 13384 14566 15337 17105 18451 19569 4 1337 2785 4328 5624 6824 8123 9491 10779 12168 13402 14572 15839 17125 18457 19572

30 30	1337 1339	2785 2794 2797	4321 4330 4334	5624 5636 5643	6824 6828 6832	8123 8128 8133	9491 9500 9507	10779 10781	12178	13414	14572 14584 14586 14592	15839 15858	17125 17139	18457 18467 18479	19572 19575 19579
31 37 43	1345 1362	2804	4344	204				10015	12179	13423	14592	15875 15882	17148	18493	19581
54 78 80	1366 1393 1398	2807 2808 2827	441 4446 4453	5676 5680	6840 6841 6866 6871 6889	8145 8162	9510 9517 9554 9555 9564 9675 9610	10838 10841 10842	12199 12204 12221 12228	13443	14606	15804	17159	18519 18558 18577	19586 19591
80 81	1435 1442	2839	4472	5717	6871	8164 8195 8212	9555	10844	12228	13447 13450 13456	14612 14623 14635	15913 15937 15939	17160 17172 17180	18588 18591	19607
119 126 152	1452 1462	2857	4476 4480	5735	6892 6903 6914	8213	9575 9585	10852	12248	13457	1461	15041	1 PAGE	18595 18507	19614 19617
171	1482 1485	2864 2890	4500	5738 5743	6914	8236 8241 8250	300.67	10314	12266	13492 13495	14678	15956 15961 15968	17218 17223 17237	18621 18622	19618 19620
177	1500 1518 1529	2919		5748	6935 6937 6939	8250 8264	9635 9657	10922	12284 12285	13518	14682 14690	15077	17246	18630	19624 19625
186 196 204	1550	2957	4514 4515	5763 5771	6939 6948 6966 6970	8264 8276 8294 8303 8310	9659 9675	TOGLE	12288 12312		14716	15007	17740	186/6	19636 19639 19641
210 215	1563 1563	2980 3004	4516 4526	5787	03/3	8303 8310	9677 9678	10961	12329	13530 13536	14738	16044 16044 16048	17278 17298	18677	19641 19646
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289	1632 1638	3077	4642	5906 5942	7115 7126	8416 8434 8447 8474	9776 9783 9796	11091 11092	12427	13629 13641 13645 13652	14854	16140 16157 16169	17383 17386 17392	18747 18767	19672 19676
331 355 365	1655 1659 1669	3078 3079 3085	4651	5958	7139 7145 7147	8474	9803	11097	12448		14885 14912	16169	17404	18777	19677 19681 -
377 379	1876 1677	3096 3097	4690 4697 4699	5961 5965 5979	7161 7191	8477 8482 8490	9829 9838 9854	71186 71186 11188	12468 12484 12505	13662 13667 13668	14919	16182 16187 16207	17404 17433 17440 17453	18808 18810 18828	19688 19689
395	1679 1684	3115	4702 4707	5994 6005	7192 7197	8497	9856 9870	11191	12516 12524	13687 13700	14923	16205 16211	1440	18846	19691
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440	1742 1760	3159	4713 4724	6023 6025	7205 7211 7215 7245		9884 9894	11263	12530 12532 12533 12540	13729 13732	14968	16229 16234	17518 17524	18863 18883 18887	19705 19713
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	1800	3243 3257	4753 4757	6062 6081	7293	8585 8610 8654	9961 9973	11291	12589 12590 12605	13788	15013 15014	16308	17576 17583	18926 18928	19727 19731
534 551	1832 1854 1856	3290	4775	6111	7297 7316	8654 8673 8684 8709	9981	11326	12607	13791 13793 13813	15035	16325 16355	17599 17615	18947 18958	19733 19747
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579 580 584	1862 1884	3340 3354	4850 4851	6166 6168	7377	8710 8723 8734	10052 10054	11366 11386	12650 12662	13835 13836	15069 15084	16390 16408	17691 17696	10000	19751 19755 19757
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585 586 606 621 623 635 647 650 658 672 714 719	1941 1947	3394 3405	4891 4892	6196 6216 6223	7400 7419		10088 10092	11406 11455	12680 12681	13867 13875	15102	16434	17721 17732 17743	19054 19057	19762
623	1947 1948 1949	3413 3421 3440	4893 4900	6231	7429 7436	8771 8782 8785	10095 10107	11456 11462	12690 12707 12728	13878 13894	15186 15196	16446	17747	19057 19076 19079 19080 19096 19105	19764
647	1951 1958	3456	4931	6244 6254 6283	7458 7468	8787	10121	11462 11466 11473	12773	13894 13895 13897 13900 13906 13937 13964 13967	15196 15205 15209 15218 15228	16478 16484 16607	17752 17756	19096	19768 19769
658	1960 1966	3471 3483 3485	4955 4958	6287	7477 7477 7486	8795	10135	11474	12773 12778 12792 13804	13906	15228	16517 16537	17767		19774
718	1988 1995 2008	3487 3555	4963 4968	6287 6290 6293 6297	7487 7496	8787 8788 8795 8796 8839 8849 8850 8869 8871 8874 8889	10142 10153 10178	11515 11522 11527	12812 12816	13964	15231 15232	16568 16579	17772 17800 17802	19125 19143 19146	19788 19789 19791
723	2009	3569 3576	4973 5010	6306 6309	7501	8850	10305	11533 11541 11545 11547	12820	13973 13975	15245 15253 15253	16588	173923	19141	19793
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801 813	2095 2129	3665 3675	5071	6368	7614 7628	8933 8933	10297	11607	12925 12946	14037	15304 15306	16635	17874 17893 17900	19219	19622 19823
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861 855 870	2163	3711	5135 5137 5157	6389 6423	7677 7681 7705	8962 8962	10330 10350 10359	11628 11631	12966	14067	15379 15385	16670	17918 17918 17928 17974	19260 19276	19826
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1028	2370	3961 3996	5274 5279	6500 6525	7842 7853	9122 9127	10537	11806	13085	14251	15517	16829	18088	19436	19891
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1089	2497 2521	4052	5362 5365 5380	6580	7934	9206 9212 9239	10571	11900	13185	14346	15612	16888	18223	19489	19916
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	2621 2624 2632 2642 2663 2678	4183	5441 5470 5481 5482 5483 5502 5503 5513	6668	8011 8028	9338	10627	11972	13258 13289 13296 13304 13314 13323 13325 13329 13332	14429	15710 15718	16970 16991	18315 18320 18322 18330 18359 18377 18383 18393	19525 19528	19951 19954
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1307	2736 2753	4285 4303	5515 5548 5555	6735 6742 6744 6755 6764	8059 8062 8067	9440	10691 10699 10703	12111	13342 13347	14513 14514	15443 15443 15451 15469 15474 15474 15474 15517 15517 15517 15517 15517 15517 15517 15517 15517 15517 15517 15517 15517 15517 15517 15517 15517 15517 15618 15618 15618 15618 15618 15618 15618 15618 15718	17066 17066	18408	19296 19212 19312 19312 19347 19361 19401 19471 19436 19436 19436 19436 19445 19458 19458 19458 19489 19491 19491 19492 19491 19492 19513 19525 19531 19525 19531 19543 19544	19980 199 6 5
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1364	2012	-010	2015	0100	0114	2400	10/63	14125	1.5362	14005	19820	1/101	19490	19557	T3260

On February 18, 1986, the Bonds designated above will become due and payable as aforesaid in such coin or currency of the United States of America as at the time of payment shall be legal tender for public and private debts. The said Bonds will be paid, upon presentatioe and surrender thereof with coupoos due January 31, 1987 and subsequent attached, at the option of the holders subject to applicable laws and regulations, at the main offices of Morgan Guaranty Trust Company of New York in Brussels, Frankfurt (Main) or London, or Krediethank S.A. Luxembourgeoise in Luxembourge, or Swiss Bank Corporation in Basle. Payments at the offices referred to above will be made by a check drawn on, or by a transfer to, a United States dollar account maintained by the payee with a bank in New York City. Any payment made by transfer to an account maintained by the payee with a bank in the United States may be subject to reporting to the United States Internal Revenue Service (IRS) and to backup withholding of 20% of the gross proceeds if payees who are not recognized as exempt recipients fail to provide the paying agent with an executed IRS Form W-8, certifying under penalties of perjury that the payee is not a United States person or an executed IRS Form W-9, certifying under penalties of perjury the payee's taxpayer identification number, as appropriate). Those holders who are required to provide their correct taxpayer'identification number on IRS Form W-9 and who fail to do so may also be subject to a penalty of \$50. Please therefore provide the appropriate certification when presenting your securities for payment.

On and after February 18, 1986 interest shall cease to accrue on the Bonds herein designated for redemption.

Dated: January 16, 1986

WESTPAC BANKING CORPORATION

Airbus and Boeing step up war of words over subsidies

Battle for airliner sales intensifies

sirliner manufacturing con-sortium. True, concedes Boeing. "But with the money not paid

"But with the mone? not paid in taxes we've done a lot of better things for our country."

"Production subsidises for Airbus have amounted to more than \$10bn," says Boeing, False, says Mr Robert Whitfield, Airbus vice president in charge of finance. "Government support in the form of reimbursoble edvances, which are being reimbursed, is less than half that, more like \$4bn," be says.

With both groups trying hard to tie up world-wide manufacturing agreements to back aeroplane projects, 1986 is likely to be a vintage year in the war of words between the two manufacturers.

Boeing is negotiating a joint

Boeing is negotiating a joint venture in Japan, adding to existing co-operation over the 767, to bring Japanese companies into a foture 150-seater

Project for the 1990s.

Alrhus is trying to match
Boeing's efforts with a production agreement of its own with the Japanese, but is clearly starting a long way behind. Boeing, smarting under a drive by Airbus to capture

Australia

strengthens

offsets policy

AUSTRALIA is to strengthen its effects policy, which requires foreign contractors to

pass on work nu government deals in Australian industry. Under the tightened policy, announced yesterday, sup-pliers of government con-tracts worth at least A\$2.5m

(£1.2m) must provide offset work equivalent to 30 per cent of the imported value of the contract. Purchases with imported content of less than 30 per cent are exempted.

Under the eld policy the 36 per cent effect require-

ment was interpreted merely as a target and pursued nn a best endeavour basis. Over the 14 years that the policy was in place, foreign suppliers made total commit-ments of A\$1.5bn, less than half of which were actually

From March this year, no

government contracts will be signed unless firm offsets

arrangements are agreed. The

Snewy

Engineering.

fulfilled

ALLEGATIONS and counter to Europe by the strength of claims are flying across the Atlantic with increasing vehemence and regularity as the competive struggle for jet airliner sales hots up between Bosing and Airbus Industrie.

Boeing has not paid any taxes for six years," says Aero-spatiale, the French share-bolder in the Airbus Industrie dominant post-war position in airliner manufacturing consortium. True, concedes Boeing.

To Europe by the strength of the UK and Spain—wrote to the dollar, moving into an Washington defending the constitum's record.

The letter, sent to Mr Clayton Yeutter, the US foreign trade officials like to point out with representative, argued that Airbus for six years," says Aero-spatiale, the French share-bolder in the Airbus Industrie airliner manufacturing consortium. True, concedes Boeing.

Airbus'6 lack fo financial

Afrèus'é lack fo financial accountability—as a consortium set up under French law it poblishes no accounts—enables it to undercut Boeing prices in keenly contested deals such as the controversial A-320 order

Michael Donne in London and David Marsh in Paris conclude a series on Boeing and Airbus with an analysis of the growing tensions between the two aircraft makers

won from Indian Airlines in September, Boeing claims.

Airbus argues that whenever international market share it meets Boeing head-on, it is across an increasing range in always the giant from Seattle airliner types, has stepped up which cuts prices first. But its assault in Airbus's financial Airbus clearly reliabes the fight. its assault an Airbus's financial Airbus clearly reliabes the fight.
Boeing contends that as a of a sale," argues Mr Jean government-sponsored organisation, Airbus is beavily subsidised and bas an anfair competitive advantage.

Boeing bas taken its complaint to the US Government in a bid to secure US action.
However, for diplomatic and However, for diplomatic and However, for diplomatic and However, for diplomatic and hard and have the fight.

"Whenever we get a chance "Whenever we get a chance argues argues Mr Jean diplomatic and the carpet."

a bid to secure US action However, for diplomatic and against Airbus under the political reasons—above all to General Agreement on Tariffs and Trade.

US airlines, where Airbus has

Gatt rules. The government fair proposed joint informal talks later this year to try to take some of the heat out of the cootroversy.

European governments are clearly boping that the Airbus/Boeing controversy will not be allowed to descend into the political arena. In a similar, atthough less wide-ranging, affair in 1984, Transpace Carriers, a US company formed to market satellite launches on the Thor Delta rocket, filed a peti-Ther Delta rocket, filed a peti-tion with the US Government alleging unfair pricing was benefiting Europe's Ariane space rocket.

The action was quietly buried after the Ariane backers argued that the US space agency was subsidising space flights to a far greater extent than the Europeans.

Boeing admits that sharply increased US government mili-tary and space orders over tha past few years have helped tida it over e-relatively lean period September, Boeing claims.

Boeing'e president, Mr Dean
Thornton, said last year that
Airbus's aggressive marketing
was driving his company
"paranoic."

Airbus argues that whenever

The effect should have diminished last year and will probably tail off further in 1986 as a result of a revival in airliner sales and a possible slow-down in US defence spending, Boeing says.

European aerospace industrialists makes much of the finance and technological bene-fit to Boeing after World War II of its ability to transfer expertise in military bombers and transport jets into the civilian

General Agreement on Tariffs and Trade.

These attacks are bitterly resented by Airbus and its shareholders—Aerospatiale, Messer-holders—Aerospatiale, Messer-schmitt Boelkow Blohm (MBB), British Aerospace and Casa of Spain. They see the Boelng not get out of hand.

Just before Christmas, the general competitive boost given below its marketing thrust with US airlines, where Airbus has not been able to follow np last year's success with Pan Amerilary and Amerilary and Amerilary and Marchael and Airbus—Brance, West Germany, Boeing retorts that it put a large amount of its own money into government-sponsored military projects. The 747 jumbo was developed using technology acquired in a US military transport jet programme — but the four governments involved in Airbus—France, West Germany, Boeing says.

TDK to start production at former Grundig plant

BY JOHN DAYIES IN FRANKFURT

electronics group, aims to strengthen its long-term position in Europe by embarking on local production at the plant on local production at the plant possible buyers, but is proposing to conclude a deal with TDK in the Japanese company's

Grundig, which used to make video cassettes at Rammelsbach, closed the plant in October 1984, a few months after Philips took over management control

Government will publish names of suppliers who fall well short of their commitments in order to apply offsets are required on all civil and defence purchases, except those made by certain agencies including the Aus-tralian National Railways, Australian National Line, SOUTH KOREA has announced

Among the acceptable types of offsets are the transfer of new technologies to Australian industry, the production in Australia of parts of the equipment covered by the contracts, or Australian par-ticipation in the design and

Mountain

JAPANESE company is plan- Japanese company plans further

A JAPANESE company is planning to make audio and video cassettes at a plant shut down more than a year ago by Grundig the West German consumer electronics group controlled by Philips of the Netherlands.

TDK, the Japanese consumer electronics group, aims to electronics group, aims to electronics group, aims to the company says that it has

plans would provide the great-est number of jobs.

The State Government of Rhineland-Palatinate has been

took over management control of the group in a complicated deal with Mr Max Grundig, the West German concern's Grundig is on the point of selling the factory to TDK and although the West Germans (Fill2m) nrder to build a distillative a signing ceremony in Hungary.

TDK is expected to begin pro-

is planned for next Monday.

TDK is expected to begin production later this year and to employ initially about 150 is expected to have a daily capaworkers, but it is believed the city of 60,000 litres alcohol.

Seoul acts on copyright

it plans to introduce copyright initiated an investigation of legislation this spring, and will kneas's intellectual property either join the Berne Copylaws in October, citing statistics right Convention no the Universal Copyright Convention lose \$170m (£118m) annually in in 1988 to provide protection royalties as a result of book for foreign-convergences. for foreign-copyrighted works, pirating in Korea.
writes Steven B. Butler in The South Kore

for foreign-copyrighted works, writes Stoven R. Butler in Secol.

The announcement is likely to disappoint Washington, which has been pressing Secul for immediate adoption of stronger measures to protect intellectual property.

pirating in Korea.

The South Korean Government said it had formed an advisory committee to belp draft legislation which is expected to pass the National Assembly in March or April.

The law would also strengthen protection for Korean anthors.

Talks may boost Gatt round

BY PAUL CHEESERIGHT IN BRUSSELS

INFORMAL talks between the world's three major trading powers—the US, Jepan and the European Community — and Canada could have a crucial bearing on the prospects for a new round of international trade liberalisation.

The talks, part of a regular series, start today in San Diego. The European Community is The European Community is boping that they will increase the momentum for e naw round, which will take place within the General Agreement on Tariffs and Trade (Gatt).

Mr Willy de Clercq, the Community's external relations commissions will also discuss the community of the comm

commissioner, will also discuss with Mr Clayton Yeutter, the US Trade Representative, steps to lower the level of commercial

The European Community should set up an expert credits agency, to act in a complementary fashion to national institutions, Mr Willy de Clerce, the external rela-tions commissioner, has sugtions commissioner, has suggested. He provided no details of his idea which is now being defined by Commission officials. The suggestion revives a proposal current in the 1970s but never followed

Canada's Trade Minister, on difficulties in the beef and shoe

trading powers will not think that deals are being done behind their backs. But the agenda suggests that

the four powers will be plung-ing into the issues that are likely to figure prominently in the new round. These issues include import safeguards, the protection of intellectual pro-perty and the working of the Gatt disputes procedure. Even more significant for the

progress of the Gett round, the Community and the US are likely to rehearse arguments about the subsidisation of agricultural trade, bound to emerge as vital to the future of the Gatt round.

US Trade Representative, steps to lower the level of commercial tension on issues like steel trada restraints.

Mr de Clercq will have a first meeting with Mr Hichio Wetanabe, in his new capacity as Minister of Trade and Industry for Japan, and talk with Mr James Kelleher,

bought commercial airlines bought commercial airliners in the past — usch as 70% in the form of KC-135 tanker-trans-porters, or more limited pur-chases of 747e for airborne command post and other duties — the US Government has got fair value for money, Boeing

As for the lack of tax payments since 1980. Boeing says this is the result of tax credits allowed on its heavy capital investment and research and development expenditure since

These policies have belped Boeing to take on an extra 20,000 employees over the last two years — "and each of them paying taxes," Boeing

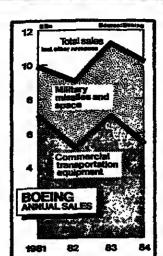
Boeing has computed figures — which Airbus say are much exaggerated — claiming that total government support for Airbus, including the launch of the A-320, is likely to total at least \$12bn by 1995, or \$18bn if interest is included. Airbus dismisses the figures

as "propaganda." It contends that funds advanced by govern-ments over its 16-year history are not give-away grants but are being slowly repaid out of airliner sales.

But the group invites suspicion over its financial arrangements by regularly

ducking questions on the

Ironically Boeing's onslaught nn Airbus' financial backing may only encourage the European group to intensity its series appeared on January 3 commercial attack. Airbus sees and 10.



Boeing's continuing dominance — the US company's order intake last year was \$15bn against \$4.5bn for Airbus — as providing further justification for its bid to enlarge its own

airliner range. An Airbus board meeting at Toulouse on January 27 will be discussing the prospect of developing the TA-9 jet to challenge Boeing's dominance with its 767 of the medium range sector, as well as the four engine long ranga TA-11 which could confront part of the 747 market.

Mr Pierson argues that building sirliners has always been a long term business confronting investors with a long wait before returns. In the face of Boeing's broadside over financing, Airbus can only bope that the governments backing the consortium continue to show the necessary patience.

The previous articles in this

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(Registration No. 05/04346/06)

PRELIMINARY ANNOUNCEMENT OF RESULTS

CONSOLIDATED INCOME	Year ended 31 December 1985	Year ended 31 December 1984
Revenue Income from investments Dump crushing and treatment Interest and sundry revenue	1 357	R000 4 219 609 429
Expenditure and write off	9 983 213	5 267 5 401
Administration Written off	313	250 5 14
Profit/(loss) before tax ,	9 670 26	(134 67
Prefit/(loss) after tax	1	(201
Transfer from general reserve	9 717	(134 3 150
Less		3 016 2 943
Dividends declared	1 839	2 94: 92 2 02:
Transfer to general reserve	4 000	
Unappropriated profit, carried forward		73 Year ended
	31 December 1985	31 December 1984
Earnings per share—cents	. 52	27

* Earnings per share before write nff ANNUAL REPORT These results are published in advance of the annual report which will be posted to members in March 1986.

Dividends—per share—cents
—times covered

Net assets (as valued) per share

DECLARATION OF FINAL DIVIDEND

Dividend No. 78 of 20 cents per share in respect of the year ended 31 December 1985 has today been declared in South African currency, payable to members registered at the close of business on 31 January 1986.

Warrants will be posted on or about 4 March 1986 Standard conditions relating to the payment of dividends are obtainable from the share transfer offices and the London

Requests for payment of the dividend in South African currency by members on the United Kingdom register must be received by the company on or before 31 January 1986 in accordance with the abovementioned conditions.

The register of members will be closed from 1 to 7 February 1986, inclusive.

By Order of the Board per pro Consolidated Gold Fields PLC London Secretaries Mrs. G. M. A. Giedhill, Secretary

London Office: 31 Charles II Street, St. James's Square, London, SWIY 4AG. 15 January 1966

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Canada and Italy concerned over exclusion from G5

BY JAMES BUXTON IN ROME AND BERNARD SIMON IN TORONTO

MR BETTINO CRAXI, the Italian a member of the Group of Seven if Prime Minister, has protested it was left out of the deliberations of Prime Minister, has protested it was left out of the deliberations of strongly about Italy's exclusion the Group of Five. Italy, he added. from the Group of Five industrial countries which take key decisions

on curreocy issues. The Group of Five (G5) – whose from the deliberations of G5.

members are the US. West Germany, Japan, Britain and France -

review the currency situation. The last time they met was on September 22 in New York, when they agreed to concerted action to drive down the value of the US

ltaly was offended not to have been included in that meeting par-ticularly because the Bank of Italy-subsequently incurred a big decline in its foreign-exchange reserves through the need to act with the G5 central banka and sell the US

Italy and Canada, both members of the Group of Seven industrial countries best known for their spectacular economic summits, made clear their concern at their exclu-

sion from the G5 meeting. The currencies of all the G5 countries are included in the basket on which the value of the Special Drawing Right (SDR) is based. Neither the Italian lira nor the Caradian dellar is part of this basket. nadian dollar is part of this basket. At the end of December, Mr Craxi

wrote to the heads of state of the US and France and the heads of government of West Germany, Japan and Britain protesting because Italy had not been asked to the London meeting of G5 this weekend. He pointed out that it was difficult for Italy to fulfil its function as balue of the Canadian dollar.

was a leading member of the European Monetary System and as such has to share the sacrifices resulting

He said that the exclusion of Italy from G5 created unnecessary political difficulties among countries which were allies. Italy wants G5 to be enlarged to

include itself and possibly Canada.
it is not suggesting that the Group
of Seven should take on functions Yesterday, a spokesman for Mr Craxi said that Italy was not prepared to let the matter rest, because the G5 countries had evidently not decided to invite Italy to the Lon-don meeting. We shall be returning to the attack," he said.

Canada has voiced its concern that the Group of Five will become "overly institutionalised" and detract from the work of other international economic groups

A Canadian Finance Ministry official said yesterday that Ottawa had not applied to join G5. How-ever, Mr Michael Wilson, Finance Minister, has emphasised to Mr Howard Baker, US Treasury Secretary and other G5 participants that meetings of G5 members without prior notice or consultations, with other major trading nations, were

"extremely unhelpful." Opposition groups were dismayed at Canada's non-participation in last autumn's G5 meeting in New York, which took decisions affect-

Reagan seeks to ease anti-trust laws

BY NANCY DUNNE IN WASHINGTON

has decided to seek changes in the US anti-trust laws which would allow American com- laws. panies to compete more effect, According to the Washington tively in the interoational market place, the White House said yesterday.

We have the world with the would the would the world the world

posal to exempt those com-panies burt by imports from various anti-trust restrictions on mergers. The President would also propose limiting damage awards for violations of anti-

laws, including the Clayton and

Sherman Acts, are "from another era," he said.
"In the long run we think it will allow American corporations to better serve consumers and it won't offer competition in the local market," he said. A reform of anti-trust laws

has been under discussion within the Administration for some time. Mr Malcolm Bal-

THE REAGAN Administrations drige, the Commerce Secretary,

sald yesterday.

Mr Larry Speakes, White
House spokesman, said like
Admioistration would ask Coothat limit corporate directors gress to pass a legislative from serving on the boards of package which includes a proposal to exempt those competing companies; restrict the ability of US companies to sue foreign companies for alleged anti-trust violations committed on foreign soll.

Another proposal would give Mr Speakes said that only five of the world's 15 largest corporations are located in the US. The current anti-trust is already under consideration

The legislative package is likely to be extremely controversial in Congress, where critics have already complained in Congress. about the Administration's weak law enforcement. Mr Peter Rodino, chairman of the key House judiciary committee, has sald he does not believe any far-reaching changes will be

Report calls for strategy to eliminate racketeering

mission on organised crime has recommended the development of a national strategy to bankrupt racketeering which it says has now become firmly entrenched in the US market

place. In a report released thia week, the first comprehensive survey on organised crime in nearly on organised enime in tears, three decades, the prestigious, bipartisan commission criticised both the "fragmented," uncoordinated efforts of government agencies which "count bodies" as a measure of such bodies and the such as a measure of such agencies which "count bodies" as a measure of such agencies which "count bodies" as a measure of such agencies which is the such as a measure of such agencies which is the such as a measure of such agencies which is the such as a measure of such agencies which is the such as a measure of such agencies which is the such as a measure of such agencies which is the such as a measure of such agencies which is the such as a measure of suc cess as well as Reagan Admints-tration "conlacts" with sus-

reation "confacts" with suspected mobslers.

"Certain political alliances and well-timed political contributions can create an appearance of impropriety." it said, mentioning Mr Jackie Presser. President of the International Problembard of Teamsters, who Rrotherhood of Teamsters, who has on occasion met with the President and President Bush. He said "The iropact of such mental agencies working on conlacts can lead to an erosion industry by industry task forces.

PRESIDENT REAGAN'S com- of public confidence and damper the desire to end rscketeering." Often the key to marketplace corruption by organised crime is the control and exploitation of labour unions. The report cites four key unions with histories of cantrol or influence by organised crime: the later national Longshoremen's Asso-ciation, the Hotel Employees and Restaurant Employees In-teroational Union, the Inter-national Brotherhood of national Brotherhood of Teamsters and the Laborers International Union of North America.

Only a small fraction of labour organisations are dominated by crime figures, but key branches in large cities repre-senting thousands of members have allowed mobsters to gain a foothold in the international

marketplace, the report said. The national strategy urged by the commission would com-bine the efforts of privato industry and various govern-

Washington extends warm welcome to Ecuador leader

ECUADOR'S President Leon investment. Since he took office Febres Cordero, one of the US 17 months 2go, Ecuador's Inflation rate has dropped from 18 merican leaders, hecause of 19 per cent to 20 per cent. his outspoken anti-Communism and free-market economic policy, has been given a warm welcome by President Ronald Reagan in Washington at the slart of a six-day visit, AP reports from Washington.

Much to the delight of the Reagan Adiomistration and international bankers. Mr Febres has acted decisively to cut the State role in the Ecuadorean economy and also has promoted toercased foreign funds, a special category of assistance reserved exclusively for countries of special security and political importance to Washington. The amount earmarked for this fiscal year is £15m (£10.4m).

60 per cent to 20 per cent.

During his visit, Mr Febres is expected to sign financial assistance agreements with the World Bank and the US Agency for International Development Ecuador is the only South American country that receives so-called economic support funds, a special category of

Shultz says sanctions

would hurt By Fiona Thompson MR George Shultz, US Secre-

tary of State, said yesterday that if Libya's major European trading partners were to apply economic sanctions similar to those imposed by the Americans it would have a considerable impact and cause Libya great difficulties.

Mr Shultz was speaking to European journalists on a satellite link np on the eve of bis deputy Mr John Whitehead's arrival in London today. Mr Whitehead will tour several European capitals to several European capitals to discuss efforts to combat international terrorism.

Asked if he was disappointed with the West German Government's reaction to the Government's reaction to the sanctions announced by President Ronald Reagan on January 7, Mr Schultz said: "of course we would like to see positive reaction, we would wish their attitudes were different." He stressed, however, that Mr Witchend would not be trying to "twist arms."

arms."
Libya and Col Muammer
Gadaffi, the Libyan leader, had
been financing terrorists
since 1980, "I have no doubt, and my friends in Enrope have no doubt, that Gadaffi is in bed with the terrorists." Mr Sbultz

said it was necessary tn isolate them, cut off their safe havens and connections.

Robert Graham on the impact a new civilian president may have in Central America

Guatemala looks beyond its borders

Cerezo, on Tuesday.

Even before taking office, Mr insurgency, countries and promoted the isolation imposed on the idea of a regional parliament as military rulers because of their a forum to diminish tension appalling human rights record, and revive the moribund especially regarding the Central American common indians,

Guatemala is the most populous Central American nation with a population of export base.

Furthermore, given its strategic position as the buffer between Central America arfi Mexico, a more ootward going role by Guatemala is bound to

play a more active role in domestic preoccupations. The Central America following the military was concerned with inauguration of the country's disputing the spolls of power civilian president, Mr Vinicio and were clearly committed to crushing

Cerezo made a point of calling But this independence bss on the leaders of neighbouring also been a consequence of the countries and promoted the isolation imposed on the But this independence bss

Sioce the days of the Carter Administration, the US Govern-ment has provided only minimal nation with a population of financial and military assisment and its economy the most diversified with the widest export base.

The Guatemalan military regarded US pressure as unacceptable interference in domestic affairs, and fell little obligation to toe the Raagan Administration's line in Central America.

Mexico, a more ootward going role by Guatemala is bound to have significant repercussions within the region.

The most curious aspect of the tensions in Central America since 1979 that marked the onset of the civil war in El Salvador and tha overthrow of the Somoza dictatorship in Nicaragua has been Gnatemala's marginal position.

Guatemala's military rulers have refused to take sides openly on regional conflict, even though they have been inspired by fierce anti-Communist refused to criticise Nicaragua.



PACIFIC OCEAN

The existence of s civilian president in Guatemala, the first in 16 years, npens up the prospect of large scale resumption of US economic, financial and military ald. The Reagan Administration has already stated its willingness to step in with such assistance. This is almost certainly the only way to puil Gnatemala out of



Cerezo: promising austerity

Guatemala and the Mexicans have discreetly helped monitor the Guatemalan guerrila presence along their common border.

face of opposition from tha powerful business community.

The kind of austerity package under consideration should attract support from the Inter-The kind of austerity package under consideration should attract support from the Inter-national Monetary Fund and The existence of s civilian make it easier for resumed US

> Just as in El Salvador, the Guatemalan military and the business community realise that a civilian government is the best gusrantor of a continued flow of US aid — and this is

the Nicaraguan Governmeot's iolernational position will oc weakened even further. Yet if Mr Cerezo resists, which he may well, it could provide a shot lo lhe arm to peace efforts in the region — in particular the Contadora Group's initiative.

The Contsdora Group-Colombia, Mexico, Paoama and Venezuela—discussed the peace plan in Guatemala City on Tuesday after Mr Cerezo's in-auguration, resulting in a renewed pledge to make the initiative work.

Developments are also expected in Guatemala's long running claim to Belize. In private Mr Cerezo has indicated to the Belize Government that he would like to see s settle-ment that would lead to recognition of the former British colony.

Britain still retains up to 1,600 troops and military personnel in Belize, at an annus! cost of £30m, to protect it against Guatemala,

set of the civil war in El Salvador and the overthrow of the Somoza dictatorship in Micaragua has been Gnatemala's military rulers have refused to take sides openly on regional conflict, even though they have been inspired by ferce anti-Communist against Guatemala also in declorations and belongies and have been waging a tough campaign against a leftist inspired guerrilla insurgency in the countryside.

Salvador and the overthrow of military establishment in Constitution of the Contral America, has consistently refused to be drawn into reactivating the regional conflict, even though they have been inspired by ferce anti-Communist against Guatemala.

Any move to settle the flow of US aid — and this is probably Mr Cerezo's best card in dealing with the two groups. This is almost certainly the only way to pull Gnatemala out of recession and belp it overcome the hurden of servicing lts S2.4bn (£1.7bn) foreign debt, equivalent to almost 60 per cent of export earnings.

Mr Cerezo has promised to introduce austerity measures to introduce austerity measures being the regional policy.

Mr Cerezo has promised to introduce austerity measures bound to lead to pressure on guerrillas do not use the country as a safe haven or as a servicing lts probably Mr Cerezo's best card in dealing with the two groups.

However, the record of the Reagan Administration in Central American accountry. The US Government of export earnings.

Mr Cerezo has promised to introduce austerity measures being the probably Mr Cerezo's best card in dealing with the two groups.

However, the record of the Reagan Administration in Central America has been to link assistance to political support for its regional policy.

Record US aid — and this is probably Mr Cerezo's best card in dealing with the two groups.

However, the record of the Reagan Administration in Central America has been to put the two undifference on the burden of servicing lts.

Record US aid — and this is probably Mr Cerezo's best card in dealing with the two groups.

However, the record

IT'S NOT JUST GENI

"I am delighted, for the eighth successive time, to be able to announce a significantly improved performance for Guinness PLC.

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Earnings per 25p stock unit 17.lp 9.4p

£86·1m

Pre-tax profit 1985

£70.4m

Pre-tax profit 1984

over 1100 stores, we've increased profits from £5.5m to a very significant £13.8m.

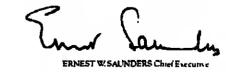
GOOD FOR SHAREHOLDERS

Our twin strategy of good management for financial performance today and rapid exploitation of growth opportunities for significant business tomorrow is good for shareholders. Earnings per stock unit have increased 21%, and the proposed net dividend is increased by 12% to a record 7.2p.

Since September 1981, the company's shareprice has increased sixfold, and its market capitalisation tenfold.

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I look forward to being able to report next year with even better figures."



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Guinness is good for shareholders

n1982 a Midlands bakeryfound that 40%oof theirenerg costs were it blown away

Your At Fre AS INT saste no Them ap bake ssillneat. gally, 171. h goution 5 Fresha icgs are ar inother ers, it cou

You need a lot of heat to bake bread. And heat rises At Fresha Bakeries Ltd. in Leicester most of the heat rising through the chimney and wafting down the street. Tak in 8 £128,000 with it every year ·

As part of a joint demonstration project with $the^{E ne^{rg}}$ ancy Office, the management Efficiency Office, the management devised a scheme to the waste heat and $\frac{1}{2}$ the waste heat and recycle it throughout the bakery

The system was so successful that there was enough heat no to bake the bread but also only to bake the bread but also to heat the bakery And the was still heating left over to warm the van yard in winter, which naturally, made for happier drivers as well as fresher bread.

At the same time, they replaced their centralized boiler and switched to cold. distribution system and switched to cold water for washing delivery trays

Fresha Bakeries is not a huge company. But still their ene, gy savings are around £40,000 a year on an initial outlay of £92,000

In other words, the scheme not only paid for itself in little over 2 years, it could save the bakery at least £40,000 every year from now Of course not all at

Of course, not all of us are in the business of making bread rise But stopping energy costs rising is everyone's business, and Your company is probably losing money even as you read this?

and you can put a stop to Efficiency Office.

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BY ANDREW FISHER, DAVID MARSH AND DAVID THOMAS

The Channel Expressway so

gel claimed, "it's anothems to the French." Mr James Sherwood, pres-

ident of Sea Containers, was in

French Government officials said Channel Expressway was a non-

France yesterday to try to arrange

runner because of doubts over its fi-

nances and technical feasibility.

Last night, Channel Expressway

The French officials said the sup-

EuroRoute and £2.6bn for CGT, was

said France's lorry drivers would

CGT has already said finance for

to any other project but it would consider adding a road link later if traffic justified this. Sir Nicholas

The UK cabinet is due to discuss

was heavily preoccupied with the Westland affair. Tt could be settled

The leading French private road

mysterious and irrational."

tion system in its road tunnel.

more French partners.

THE EUROROUTE consortium, a said Sir Nigel of his proposal, outcontender to build a fixed link lined after yesterday's annual meet-across the English Channel, has ing of Trafalgar House. proposed a compromise tie-up with the rival Channel Tunnel Group (CTG) in an attempt to clear the way to a final Anglo-French deci-

Sir Nigel Broackes, chairman of EuroRoute, said yesterday he had suggested the compromise to Mr Nicholas Ridley, UK Transport Secretary, but had so far received no reply. CTG said it was firmly against any such compromise.
With little time left before Mrs

Margaret Thatcher, the Prime Min-ister, meets President François Mit-wip, despite criticism of the ventilaterrand in Lille, France, on Monday, rival groups have made strong efforts to produce solutions acceptable to both the UK and French nel Expressway, which prices its scheme at £2.55bn against £5bn for CGT was ingly as if they will have no final decision to announce.

Under the compromise suggested by Sir Nigel, EuroBoute would haulage group yesterday came ont build the bridge and tunnel motor in favour of EuroBoute. Mr Guy way link envisaged in its original Crescent, chairman of Calberson proposal but drop its rail link in faour of one built by CTG. boycott any crossing that did not in-This could save money, as CTG's clude a road link. vour of one built by CTG.

tunnel could be narrower, so as to take rail carriages only and not its scheme could not be transferred wide vehicle shuttles. Tunnelling would be faster, as CTG's link could be started from both ends and on the seabed near the concrete is- Henderson, CIG'a chairman, was lands connecting EuroRoute's road due to see Mr Ridley last night. bridge to its immersed tunnel.

The compromise suggested by Sir the fixed link today, although Sir Nigel, also chairman of Trafalgar Nigel noted that the Government House, a EuroRoute shareholder, is the UK to its cost, appearance and possible susceptibility to terrorist attack.

Mrs Thatcher bas said any governments, or the successful conscheme must include a road link. "If sortium, should compensate those Britain wants a road link, this is the only way they are going to get it."

affected by disruption if a scheme went ahead.

distribution deal

TRANSPORT UNION officials have Christmas over Mr Murdoch's de-

made a provisional agreement with mand for a legally-binding no-strike

BY HELEN HAGUE, LABOUR STAFF

TNT, the transport group, for na-tionwide distribution of News Inter-

national newspapers printed at its

new printing plant at Wapping, in

east London.

Print unions fear that the alternative distribution system could lead to disruption at Wapping and

want the transport union to re-ex-

work reaches

headed by Sea Containers offers both rail and road links. But, Sir Nisee even more jobs created.

Statistics published yesterday by the Department of Employment

443,000 were self-employed and a further 491,000 were women working part-time. Only 20,000 full-time s were created for women, while the number of men in work fell by

212,000 new jobs in the year to Sep-tember, while the number of jobs in manufacturing and other industries fell by 115,000. The greatest gains were made in

In the manufacturing sector only the paper and printing industry and mechanical engineering have in-creased their employed workforce in the last year. Job losses oc

of Japan or the US.

ter General, said: "We ought to be doing better than this if we are to Union agrees Murdoch improve our competitive position and increase the flow of new jobs." He said more constraint was needed in future pay settlements if the UK was to be able to compete

> That is why I and other ministers continue to stress the need for

output rose at a rate of 8.4 per cent a year in the third quarter of 1984, Department of Employment figures showed. For manufacturing industry, the rate of increase was 7.1 per tional through shared ownership of cent, compared with increases of 1 per cent in France and the US and a fall of 1 per cent in Japan. The disclosure comes as print Australian Ansett Transport, and unions are preparing for a conflict was commissioned by News Inter-

with News International over recog- national in the summer to undernition rights at the plant. Talks between the company and four of the lishing an alternative newspaper the cent. That figure was affected by five print unions broke down at

MORE THAN 31,000 jobs were created in the third quarter of 1985, boosting the number of people in work in the UK to the highest level since June 1981. But the Governmant said that pay was still rising too fast and that a general slowing down in the rise in earnings would

the Department of Employment the Europeans only need 25 per show that more than 709,000 jobs cent of votes at the EGM to block been created since March 1983, when employment reached its lowest level. By the end of September, the latest month available, the employed UK labour force stood at call state or its prospects. At times,

Of the total of 709,000 new jobs,

curred in the motor vehicles, con struction and coal industries. The underlying increase in week-

ly earnings in the year to November, published yesterday, showed a 7.5 per cent rise - the same level of increase as for the last 18 months In manufacturing industry the underlying rate of increase was 8.75 per cent, more than twice the rate Mr Kenneth Clarke, the Paymas

sensible pay settlements," he said.
"Earnings are rising well ahead of inflation, so people in work continue to be better off."

Wages and salaries per unit of

The actual increase in earnings

MPs call for radical changes in administration of tourism

The electricians union has agreed to hold talks with the com-

pany - despite pressure from Mr Norman Willis, the Trades Union

Congress general secretary, to

TNT is linked with News Interna-

press for a joint approach.

BY WALTER FLUS

House of Commons select commit- board.

chide unanimously that a single committee was restrictions on pub-British tourist board should be set up to replace the existing English, port calls for early government ac-Welsh and Scottish boards and that the British Tourist Authority should be abolished. A single minis-

Scotland, Wales and Northern Treland over the English regions.

Other recommendations of the committee include the state-funded extension of resort seasons, im
Channel that there was a real over times as mocn.

Overall, the report endorses higher the criminal said that there was a real overall, the report endorses higher the proposal, if implemented, would extension of resort seasons, im-

tion to liberalise drinking time in haphazard application of funds. pubs on similar lines to the system The report criticises as "caprinow operating in Scotland.

chairman, said that there was a real

A RADICAL restructuring of the proved botel classification and the be a major contribution to the administration and public financing establishment of regional tourist growth of tourism in this country." of tourism in the UK is proposed in boards for internal promotion, op-a report published yesterday by the erating under the proposed UK tructuring was, however, seen as Administrative and financial resthe central recommendation. Com-The issue raised most frequently mittee members felt that the pres-Members of the committee con-

cious" the fact that "more than five ter for tourism is also urged.

This could mean opening hours

Present-day funding of tourism is

criticised as "wholly unacceptable,"

Sundays.

This could mean opening hours

from 11am to 11pm, except on

land for every £1 of tourist expenditure than is the case with England

bit-and-miss and tending to favour

Mr Kenneth Warren, committee

and, in the case of Wales, nearly se-This could mean opening hours times as much is disbursed in Scot-Sundays. ture than is the case with England Mr Kenneth Warren, committee and, in the case of Wales, nearly seven times as much."

pound franchise.

Mr Christopher Sporborg, deputy chairman of Hambros, the merchant bank, who has been representing the Racecourse Association said yesterday: "I would be amazed if a satellite television service did not begin television service did not begin before the end of the current Mr Sporborg, a member of the Jockey Club, said the aim was to provide live coverage of about 12

SMALL-BUSINESS LOBBY GROUP SEEKS LESS BUREAUCRACY

System 'could create 1m jobs'

bureaucracy and simplified the offi-cial administrative tasks thet beset small businesses, according to re-small businesses, according to re-year," Mr Mendham said. That still at present, he said 137,000 "legitibureaucracy and simplified the offisearch published yesterday by the Forum of Private Business.

The forum, a vociferous lobby

group in the small business sector, presented simple new "official" forms it has designed in joint discussions with several government

all also disclosed a simplified sys-tem by which small businesses could fulfil statutory obligations on health and safety, statutory sick pay, fire precautions, insurance, and employment protection. Most new jobs would come

through making it easier for small businesses to take people on and administer their employment, said Mr Stan Mendham, the forum's

MORE THAN 1m new jobs would if there were less bureaucracy.

But we have been pessimistic meant that about 900,000 jobs were likely to be created among Britain's

1.5m small businesses. other new jobs would come from easier procedures leading to an esti-mated 30,000 extra start-ups each year. The forum thinks another 137,000 on top of that might come from a determined government at-tack on the black economy. Mr Mendham estimated the

Mr Mendham estimated the new jobs compares closely with cal-black economy at 10 per cent of the culations made from government legitimate small-business sector, or surveys carried out for last year. black economy at 10 per cent of the the present turnover level of burden-reducing idea — a right for the present turnover level of burden-reducing idea — a right for the present turnover level of burden-reducing idea — a right for that small businesses would employ an average of 1.8 more people each

That would free the more sucstand in the present turnover level of burden-reducing idea — a right for small businesses to pay over employees' income tax quarterly instead of monthly.

assumes that a third would do so in mate jobs would result.

Mr Mendham has had the for

um's figures checked by Graham Mr Mendham said some of the Bannock and Partners, a firm of consultants that 14 months ago produced one of the most definitive surveys of small business in Britain, it showed the administration of VAT as the biggest problem Mr Mendham'a independently produced figure of more than 1m

However, be thought more politiple working alone. A government amnesty, coupled with the raising of the value-added tax (VAT) registration threshold to £100,000 from the control of the value added tax (VAT) registration threshold to £100,000 from the control of the value added tax (VAT) registration threshold to £100,000 from the control of the value added tax (VAT) registration threshold to £100,000 from the control of the value and the control of the control of the value and the control of the c Lionel Barber examines the hectic City trading over the helicopter group

Battle rages for Westland shares

THE HECTIC trading in the shares of Westland, the British helicopter maker for which there are two rival rescue plans, has opened a new front in the political battle over the

future of the company.

This week, brokers acting on behalf of buyers sympathetic to the Sikorsky/Flat rescue or the rival European aerospace consortium offer have been trying to garner enough shares to block or push through the US/Italian plan. That is due to be voted on at tomorrow's ex-traordinary general meeting (EGM) of shareholders at the Albert Hail in London.

The ferocious battle for shares the Sikorsky/Fiat deal - has creatoffers to buy shares have been made at least 40 per cent above the prevailing market price.

The battle has been further complicated by the emergence of an unnamed buyer, friendly to the Sikorsky/Fiat cause. The buyer bas amassed nearly a 15 per cent stake this week; giving him an influential role in the vote tomorrow.

Mr Roy Hattersley, deputy leader of the Labour Party, called on Tues-day for the Government to intervene with the London Stock Exhotels and catering, where the workforce increased by 4.2 per cent, banking – up 3.5 per cent – and retail distribution, where the workforce gained 2.7 per cent. ian companies to take a minority stake in the company.

BY PETER MARSH

\$26bn programme.

fence Initiative Organisation, is due

Wars technology. The event may

signal the start of formal involve-

The general is expected to hold

the meeting about the time be visits

Horse racing

industry seeks

BRITAIN's horse racing industry is planning its own live daily satellite television coverage of racing for bookmakers' shops all

over the UK.

Preliminary agreement has been reached, it is believed, be-

tween British Telecom (BT) and

Satellite Racing Development (SRD), a consortium of the four

big bookmakers - William Hill,

Mecca. Ladbroke and Coral - to

Talks are under way between the consortium and the Race-course Association, which repre-sents owners of 60 race courses, for what will be a multi-million

horse and six dog races a day using the video systems already installed in racecourses for

stewards' inquiries.

The association wanted a significant sum for the franchise,

gnificant sum for the transmise, Mr Sporborg said. Attendances could be hit and the franchise will include the right to market

Bids are expected from Extel,

which already provides a sound and data service for bookmakers,

The pictures would be beamed up to the Intelsat 5 satellite above the equator and down to receiving dishes on the roots of individual betting shops. The signal will be scrambled for security

and BT has already been in touch with US satellite special-ists Scientific Atlanta to buy

The service is only possible be-

cause of amendments to the Bet-

ting and Gaming Act, due to

come into effect on March 10, which legalises live television in

SRD, which plans to broaden its share ownership if it wins the franchise has the support of the trade organisations, the Betting Office Licensees Association and

scrambling equipment.

the service internationally.

as well as SRD.

provide such a service.

satellite deal

By Raymond Snoddy

the head of the US Strategic De- nf technology.

next month to brief UK industrial-ists on the classified aspects of Star Wars technology. The event may gramme, on which some \$2bn has

ment by British companies in the cluding Star Wars research agree-

London for a special conference an ficials, together with representa-Star Wars, hosted by the Bow tives of the UK defence industry,

ebruary 17. thrash out the specific ways in Despite the signing last month of which the UK could contribute

joint work on Star Wars, the De- centres such as the Royal Signals

Group of the Conservative Party, on have held a series of meetings to forces.



ers are disturbed about the events this week in the stock market, which they believe are likely to strengthen the case for a tighter regulatory system for the City of

"The trading in Westland shares has resembled a takeover battle," said one senior fund manager who has so far resisted pressure to sell. "but we should not forget that this is a capital reconstruction plan for a technically insolvent company.

Fund managers complain that the high prices offered by Rowe & Pitman, Westland's broker, which is also acting on behalf of the unidentified buyer, and Hoare Govett, acting on behalf of Mr Alan Bristow, the helicopter millionaire who now holds a 14 per cent stake in Westland, bave put them in an impossi-

Visit by Star Wars chief could

signal involvement by industry

LT GENERAL James Abrahamson, with UK concerns on specific areas discussed areas such as the "archi-

been already committed, from con-

ments with British organisations.

a memorandum of understanding These meetings, held in London awarded from around the end of between the US and Britain on and at Defence Ministry research February. According to industry ob-

fence Department in Washington and Radar Establishment at Main the first year is likely to be no has yet to award research contracts—vern, in the West Midlands, have—more than \$3m to \$5m.

flight

Morgan Grenfell leads

MORGAN GRENFELL was the Morgan Grenfell was named in

most active merchant bank in take- another recent survey as the mer-

overs of UK public companies dur- chant bank with the largest list of

ing 1985, according to a league table corporate clients.

published yesterday by Acquisitions Monthly, an independent magazine. The bank was closely follow weeks when it has been on the

in takeover activity

ing offered prices which we are hard-pressed to turn down because

For the City of London's institutional investors, who traditionally shun publicity, the Westland affair has pushed them unwillingly to cen-tre stage. Even if an institution bolds a mere 1 per cent stake in Westland, it knows that it might be enough to swing the vote either way

The battle has an added poignancy because last summer institutional investors were instrumental in trying to rescue Westland, first by inspiring the £89m City consortium bid by Mr Bristow, which he later abruptly dropped; and second, by encouraging the Bank of England to appoint Sir John Cuckney as chairman and company doctor.

As one fund manager said: "We are trying to help the board in its involved is the fact that a carefully

destroy missiles by firing small pel-

lets accelerated by electromagnetic

it is expected that contracts to groups of British companies may be

awarded from around the end of

with Westland's bankers, Nationa Westminster and Barclays, appears to be threatened if the Westland board fails to secure the necessar 75 per cent majority.

There are conflicting views or whether that agreement with the banks would have to be renegotiated. It is also unclear whether the banks would then press for better terms for converting the £23m of debt owed by Westland into preference capital.

Those who have watched the battle over Westland unfold in Westminster and the City of London over the past four weeks say that the difficulties are largely because me difficulties are largely occurred in either the Europeans nor the Si-korsky/Fiat camp appears able to command the necessary 75 per cent majority among shareholders for the straightforward task of injecting new capital into the company, in the company, in the company of the company of the company of the company. return for a minority

Sir John Cuckney, Westland's chairman, has said the board bas "a number of contingency plans" designed to break the deadlock. He has, however, so far insisted thet the only plan the shareholders can vote on is the Sikorsky/Fiat offer, which suggests thet he intends to put the same offer, possibly slightly revised, to shareholders in the form of resolutions that require a 50 per cent majority only.

That escape route does not take account of what is likely to be heavy pressure tomorrow from Mr Bristow and United Scientific Hold-ings, the UK defence contractor holding nearly 5 per cent of West-land, to put the European offer to

Teachers' union quits

By David Brindle

NATIONAL Union of Teachers (NUT) leaders last night pulled out Further, the Pentagon has not so operational Star Wars system, whose goal would be to defend the of talks at Acas, the Government-West from nuclear bombardment by shooting down Soviet missiles in backed conciliation service, aimed at settling the 11-month-old pay Other key areas in which the UK dispute in England and Wales. Although Acas had adjourned the has expertise include space-based Since the signing of the US-UK sensors, computer software and concord, US and British defence of weapons called rail guns that would

pay talks

talks earlier in the day on an optimistic note saying that it had put forward some "thought starters" on a possible settlement, NUT leaders said they could not proceed. Acas proposals would lead to a worsening of conditions of service

in return for an increase in the present 6.0 per cent pay offer, they

servers, the total value of contracts Meanwhile, the union repre-senting head teachers threatened action on a second front when it began preparations for a ballot on its first industrial action in schools. It results from the refusal of local authorities to negotiate a national agreement on the supervi pupils at midday.

Secretaries of the 104 branches of

to be based on acceptance by the nese yen. unions of a compromise in their 1985 claim in return for the introduction of an independent element in the 1986 pay round. The ideas had been accepted by

losing side in five takeover battles,
Morgan Grenfell acted as a financial adviser in 32 takeovers with an
ry over French Kier. aggregate value of £3.143bm. S. G. Morgan Grenfell pointed out that Warburg advised in 29 bids, with a value of £3.129hn. Kleinwort Benson was ranked third, advising in 25 takeovers worth £1.714hn, and J. Schröder Wags was fourth the employers and the smaller teaching unions as the basis for further talks next Tuesday. Mr Fred Smithles, joint leader of the union developed by Western Trust for its the possibility of something that vices both through its own branches would move the dispute forward in and agents. The Citibank deal If these were included, its tally

Jaguar keeps up export momentum

JAGUAR MAINTAINED its posi tion as one of the UKa leading exporters last year by shipping out to overseus markets a record 29,675 luxury cars worth more than £600m, Kenneth Gooding writes. With UK registrations reaching

8,049, the highest level since 1978, Jaguar's worldwide car sales to-talled 37,724, about 13 per cent more than 1984, the previous record year. Last year's sales were below the 38,500 cars produced, but Jaguar insisted yesterday that that was nor-mal and said no car was built unless it bad been ordered by a

Sales in Jaguar's leading market. the US, rose by 14 per cent from the 1984 level to a record 20,528, while in Canada the increase was 31 per cent to 1,315.

Jaguar continued to make ground in West Germany, bome of its main rivals, BMW and Daimler-Benz, the Mercedes group. Sales there rose by 21 per cent to 2,343. That performance helped to raise Jaguar's continental European sales by 21 per cent to 4,828 - another record.

Another UK luxury car producer, Rolls-Royce Motors, now part of the Vickers engineering group, said that its recovery in worldwide markets had continued.

The company sold nearly 8 per cent more cars than in 1984 and sales rose from 2,203 to 2,377. The US took 1,110 during 1985 (1,083 in 1984), the UK 710 (630) and the rest of the world 557 (490).

Rolls-Royce still has some way to go to return to the worldwide record of 3,429 achieved in 1978, but a spokesman said that the company hoped the steady growth would continue this year.

□ IG INDEX, the financial bookmaking specialist, has launched a

new service which allows individuals to bet on movements of certain currencies against sterling. At present there is no such contract in the futures market. Anyone wanting to speculate in or hedge

against movements in currencies against sterling has to do so in two transactions through the dollar exchange rate. The advantage of betting on currency movements rather than taking a position in the foreign exchange or futures markets is that any gains are free of tax. IG Index also claims that its service will be

both simpler and cheaper than the conventional system of using two transactions. This involves two sets of expenses while the amounts of the two currency contracts cannot be exactly matched. The cost to the customer of a bet through 1G Index comes in the spread between its "buying" and "selling" rates. This is fixed at anything between 0.4 per cent and 0.7

the interbank currency markets. Secretaries of the 104 branches of the National Association of Head the National Association of Head placed is between £300 and £1,100, depending on the currency. Bets favour of a ballot. favour of a ballot.

Details of the Acas initiative were three currencies against sterling -

CITIBANK SAVINGS, the UK re-1985 claim in return for the intro-fuction of an independent element possibly an inquiry or arbitration software developed by Western Trust and Savings, the small Plymouth-based deposit-taker. Citibank is understood to be paying

side said: We see in the Acas ideas own use in supplying banking ser-The table, published for the first was 88 deals worth £8.8bn, comtinue this year, was drawn up with pared to 67 deals worth £4.4m in the co-operation of the banks.

was 88 deals worth £4.4m in a helpful way, but it is no more than a possibility.

State steel trims around the core

creasingly intimidating.

But the sceptics were wrong. Up to this week, British Steel Corpora-

The Government yesterday rejected the recommendation of the Scottish Affairs Select Committee that the Gartcoch steel mill in Scottain Arians Select Committee that the Garteness seen mill in Scottain remain open for three years. Mr Peter Morrison, junior Industry Minister said the Government did not consider that the arguments in the report and evidence justified intervention in the decision by BSC to close the mill with a loss of 700 jobs.

iron pipes group, bought 75 per cent of BSCs Stanton and Staveley pipes division last year for £19m. Victaulic, a maker of plastic pipe, pipe couplings and fittings for pipe-lines, was sold to its managers in 1982 for just over £14m.
Many of the other businesses

assets, have been involved.

The agreement this week between Guest Keen and Nettilefolds (GKN) and BSC to combine their engineering steels and GKN's forging businesses in a joint venture, United Engineering Steels, will remove another buge chunk on the state steel concern's books, worth about £200m.

Sold have been very small. Design Audit, a unit for assessing process plant design, had a staff of 18 and annual numover of only £600,000 when its managers bought it from BSC in 1983, BSC has also sold most of its overseas interests, notably in South Africa.

But It has also made considerable headway in privatising a few important mainstream steel businesses.

about £200m. tant mainstream steel businesses, has aroused some controversy, many of the divestments and joint ventures have proved - so far ly endowing joint ventures with prithat GKN's assets were too gen-

Many of the divestments and joint ventures bave proved – so far – to be fairly successful.

Most of them, however, have been on the periphery of the steel industry, where there were private sector competitors interested in buying out BSC's interests, and little logic in BSC hanging on to them.

When BSC began thinking about private sector companies.

When BSC began thinking about private scash injection was greater than needed.

Mr Alan Cox, ASW's fiercely independent chairman, dismisses these charges, arguing that the assets. The Government then agreed to help form joint ventures, to be known as Phoenix operations.

That the BSC and competitiveness. them.

Trafalgar House, for example, picked up Redpath Dorman Long, the structural fabricating group, in April 1982 for £10m and combined it agreed to neighbor neigh

needed to put the venture on its The first and most important of

the Phoenix ventures to date is Al-lied Steel and Wire (ASW), which 50-50 company in 1981. GKN put in about two thirds of the roughly £100m in assets, but BSC topped up its contribution by providing cash for working capital and investment. trading it was losing money at a \$20m annual rate. But by 1984, it

the next large Phoenix project, in-volving the foundry and forging in-terests of BSC and Johnson & Firth Brown, the terms for the private sector partner were tougher and the cash contribution from BSC relatively less substantial.

to get on its feet. It has suffered losses of more than £40m aince its formation in late 1982 and bas twice had to go back to BSC for financial

British Bright Bar (BBR), a merger of the bright drawing interests of BSC, GKN and Brymill worth about £14m, completed in 1983 and in which BSC has a 40 per cent stake. The bright bar sector is still overcrowded but BBR is trading profi-tably. There are also two recent ventures with the TI group in tube making, one with W. Shaw in spe-cialised foundry products and one with Caparn in marghant has with Caparo in merchant bar.

Throughout this period, BSC and GKN had been negotinting the biggest venture of all, in engineering steels. Initially, there were three other potential partners, Duport. TI (through its 50 per cent stake in Round Oak Steel Works) and Lonrho's Hadfields subsidiary. But they all abandoned the business before a deal could be done.

BSC still has a few aignificant peripheral businesses it wishes to sell, notably its 51 per cent stake in Sla

per cent of the value of the currency nn which bets are being made. It is much wider than usual spreads

not disclosed, but they are believed the D-Mark, Swiss franc and Japa-

WHEN THE Thatcher Government

made known in 1979 that its ambitious privatisation plans would also include the beleaguered steel induswho, they asked, would be interested in getting into steel or expanding their interests in that sec-

Henry Schroder Wagg was fourth with 22 bids worth £1.482bn.

tor at a time when steelworks were closing at a rapid pace, and compe-tition from abroad was looking in-

tion (BSC) bad succeeded in selling off no fewer than 52 businesses, 11 of them into joint ventures with private companies. Assets worth Many of the other businesses £350m, about 17 per cent of its total sold have been very small. Design

with its own Cleveland Bridge operation. Post a Mousson, the French iron pipes group, bought 75 per cent to carry out the restructuring of BSCs. Stanton and Staveley or the restructuring to the stanton and Staveley or the stanton and s

brought together the rod and wire interests of BSC and GKN in a ASW has been an unqualified success. In its first four months of made a pre-tax profit of £6.3m. It

Tarzan the showman puts on a star

entun.

MICHAEL HESELTINE has al-ways had a highly developed sense of the drematic. He has given us such colourful productions as the mace-wiclding incident in the House end his midnight descent—dressed in a flack jacket—to conduct operations against anti-nuclear demonstrators et Molesworth

His presentationel flair was put to brilliant use in the Com-mons yesterday as the West-land affair unfolded, like one of the those courtroom dramas.

There was Mrs Thatcher at the start of the debate, pale-faced and dressed in a severe black costume, relieved only hy a string of pearls.

String of pearls.

She had cast herself in the role of the woonger and misunderstood woman, although many of her opponents still believe she could end up as the guilty party holding the smoking pistol.

"If I had to appear a county in the smoking pistol."

considerable number of them maintained an uneasy silence. one of those twists in the plot so typical of these affairs, barrister Leon Brittan, the



Trade and Industry Secretary, found himself accused along-

side his boss.

Earlier, in a radio programme, it had been rather unfairly suggested that he had a shifty look because he had discarded speciecles for contact lenses. There was not much sign of this in the House, hut he certeinly appeared miserehle and angry in turn, es Labour leeder Neil Kinnock, acting as prosecuting attor-ney, remorselessly ploughed through e cetalogue of dates, leaks and allegations in an attempt to prove the case for a full parliamentary inquiry. But it was Mr Heseltine who was the star of the show,

when be was called to give hls version following Mr. Kinnock and Mrs Thatcher.

With the highly charged con-tents of the letter from British Aerospace to Mrs Sir Raymond returned dir-Mr Heseltine concentrated on the much-discussed letters from Mr Brittan on October

definitely arranged Mr Heseltine alleged that officials of the Cabinet Office recorded the fact that the meeting of the 13th was to be held and, although these words dld not appear in the sortium. official minutes, they were contained in the notebooks fully considered the effect our

were prepared. I do not think there is any point in delaying the House with further details of the with further details of the having.

"More, more," cried his fans on the Opposition benches, on the Opposition benches, who were formly hooked by left to the shareholders alone. who were firmly booked by

the enthralling narrative."
Oh, yes, he recalled obligingly, there was that incident when

COFT

Defence.
Then there had been the occahad instructed the British Amhassador in Rome to ask the Italian Government to send no more messages in

Mr Brittan listened to these

Chiding Mr Brittan for being (Deputy Secretary) and Mr timorous, Jim, in bis best Michell (Assistant Secretary) senior stateman manner, accused him of hringing pressure to bear on British Acorspoce at his meeting with the compeny's managing that the compeny's managing that had been of particular conditions.

calls. Mr Brittan jumped up

It seems that the nerve of some

Heseltine contradicts Thatcher over Westland affair

IN A drametic confrontation with Mrs Margaret Thatcher, the Prime Minister, to the Com-mons last night Mr Michael Heseltine, the former Defeoce performance

Secretary, directly challeoged the accuracy of her account of the arrangement, used to establiab a collective decision by the Cehinet on the Westland affair. He flatly contradicted her denial that e planned meeting of the Cshinet's economic committee on December 13 was can-celled, and claimed that steps were taken by the Government to prevent him appearing on a BBC radio programme in which Mr Leon Brittan, the Trade and Industry Secretary, gave bis version of the Government's policy.

Mr Neil Kinnock, the Leader of the Opposition who leavested.

Mr Neil Kinneck, the Leader of the Opposition, who launched the Opposition's attack on the Government's handling of the Westland affair, insisted to Labour cheers that the main Issue was "the truth."

He described Friday, December 13, when the Cahinet's economic committee was due to meet and when Mr. Heselting

meet and when Mr Heseltine believed that his backing for a European rescue package for Westland was likely to prevail despite the opposition of the Prime Minister and Mr Brittan, as "the fulcrum date." as "the fulcrum date."

Mr Kinnock's call for a parlia-

smoking pistol.

"If I had to answer every single allegation in the newspapers. then I should have a very long task," she protested to her Labour inquisitors. At the end of her long defence, there was a dutiful cheer. there was a dutiful cheer sufficient depth by the Cabinet as "absurd" as "absurd."

Mr Brittan, the other central figure in the debate and whosa denial of having tried to pressurise British Aerospace into withdrawing from the European consortium aeeking to rescue Westland also came under challenge from Mr Heseltine, intervened ahead of his windup speech to reassert the accuracy of his account of the conversation he had with Sir Raymond Lygo, BAe's managing





Mr Neil Kinnock: Truth is main issue. Mrs Margaret Thatcher: Further meeting not necessary. Mr Michael Heseltine: Collective judgement had been frustrated

a doubt which would only be removed by a full inquiry. Mr Brittan told Mr Callaghan that bis recollection of the meeting bad heen confirmed by three officials "who worked for your Government and whose Integrity was not questioned then," end by Mr Geoffrey Pattie, the Information Technology Minister. Mr Brittan shouted across the

chamber: "I at no stage asked British Aerospace to withdraw." Mrs Thatcher, whose speech received only an occasional duti-ful cheer from the Tory back-benches, rested her rebuttal of Mr Heseltine's allegations about the cancelled Cahinet economic committee meeting on a recital developments required one.

of the ministerial meetings Mrs Thatcher insisted "hut

He was provoked into doing National Armaments Directors so by Mr James Callaghan, the former Labour Prime Minister, Germany and Italy favouring a who maintained that the formicular speech by Mr Heseltine had cast doubt on the integrity of the Government, decision.

But because a minority of pared to accept the collective ministars, including Mr decision that all ministers' Heseltine felt very strongly statements concerning Westebout the matter, she egreed land should be cleared through that a further discussion should the Cabinet Office to ensure take place in the Cabinet's that all answers were consistent economic committee, for which a full paper should be prepared. The Prime Minister said

I had been recognised in tha course of discussions that tha timetable Westland had to meet would aflow for another meeting of ministers before 4 o'clock on December 13, if unforeseen

those present were ready to was clear. Therefore no meeting The meeting on December 9, reject a recommendation by the was agreed for December I3 he said, had ended with a clear National Armaments Directors and there was no meeting to statement that the amount of the statement o

The Prime Minister said This meeting, the Prime there had been innumerable Minister told the House, took discussions of Westland's place on December 9 and a clear affairs hetween departments line of policy had been laid and with the company over 15 down which made it unnecesmonths, so that the allegation sary to hold e further meeting. that the Government bad not discussed the issues in sufficient depth or in a timely way was "absurd."

his view that the European option should he kept alive until at least December 13, when it would have again come before the Cabinet's economic committee had had a clear majority whan considered of action with the control of the con of the ministerial meetings of the meeting of the ministerial meetings of the maintained that the Cabinet's collective conclusion was clear. Therefore no meeting on December 9, the meeting on December 9, the meeting of the meeting of the meeting of the meeting of the ministerial meetings.

that on December 11, I was approached by Mr Macdonald of the Department of Trade and

Industry who expressed the de-partment's concern that British

I reminded him of the meetings with Sir Basil Blackwell

[former Westland chairman] on May 15 and Sir John Cuckney [Westland chairman] on July

15 when British Aerospace had

stated its interest in ensuring

the survival of Westland end

Mr Heseltine maintained that officials of the Cahinet Office had recorded the decision to bold a further meeting on December 13.

"It was a devastating sur-prise when they (the Cahinat Office) subsequently cancelled

office) subsequently cancelled the meeting."
Mr Heseltine insisted: "Collective judgment had been frustrated." In these circumstances he knew where his duty lay and, while be regretted having resigned, he had no doubt that he had been right to do so. He made it clear he was pre-"absurd."

He made it clear he was premr Heseltine contended that pared to have his version examined hy a Comona select

committee. Mr Kinnock said the whole country knew that the Prime Minister was a domineering leader. What has been less obvious was the effect of such a domineering attitode on the system of Cabinet government. Since it was not possible to dominate continually by merit

sidered the consortium proposal on a commercial hasis and since

the DTI had not responded in

land survival, that British Aero-space should proceed on the basis of its commercial interests and these took into account the US relationships for both British Aerospace and Airhus Industrie

politics and became systematic connivance against Cahinet colleagues.

When ministers would not concede to domination, when hullying would not make them back down, they had to be undermined, isolated and bypassed. Sooner or lster, some-one was bound to resist, even to the point of resignation.

Mr Kinnock sald Mr Heseltine had made serious allegations that, after his efforts to put together a European alternative to rescue Westland had been approved by the Cabinet, he encountered strong opposition from the Prime Minister.

Mr Kinnock said the crucial question was why the decision of the European Netionel Armaments Directors ohtsined hy Mr Heseltine in favour of European intervention was set aside. He asked why the policy of non-intervention was adopted, and how it came to be approved without the benefit of collective decision by the Cabinet.

How does the practice in the privacy of government match with the public declara-tions to this House and to the country?" he demanded. Mr Kinnock said Mr Hesel-

tine's claim that there was an even-handed policy for public display and e private policy of favouritism was a grave allegation. It would be supreme folly for the allegation to be made if It could not be substantiated, because it would be so easy to

disprove if it was false.

Mr Kinnock said there was a conflict between the descrip-tions of the various Cahinet and Cabinet committee meetings on Westland given by Mr Heseltine and Mr Brittan. The con-flict could he resolved only by calling witnesses before a com-mittee of the Commoos.

The committee would inevit-ably consider why the Govern-

ment's policy was chenged, and why the new policy was so rigorously followed by the Prime Minister, even to the point of inspiring allegations National Armainents Directors and there was no meeting to of Britain, France, West cancel.

Germany and Italy favouring a European rescue package for Westland, thus leaving the company free to reach its own decision.

Statement that the ministers again on fargument, patronage or petudent again on lance, it was necessary for the meeting last Thursday when Mr the Stock Exchange closed.

The Prime Minister had omineering leader to employ other techniques. These plainly minute did not carry an account included tactics which went insisted upon hy a member of that she was ill-tempered in defeat; that a meeting was candomineering leader to employ other techniques. These plainly minute did not carry an account included tactics which went insisted upon hy a member of the Cabinet. defeat; that a meeting was can-

worrying to say the least.

hut not as pointedly as were by the Government, in order to made to Sir Raymond. We were avoid further embarrassment,

Whatever the words used

were meant to convey, the message was perfectly clear. I

would therefore ask you to take this letter into account in any further exchanges that might

Inclusion of Lloyd's in City Bill ruled out

By Kevin Brown

THE INCLUSION of the Lloyd's insurance market in Financiel Services Bill was firmly ruled out yesterday by Mr Leon Brittan, the Trada and Industry Secretary, even if such a course were to be recommended by the committee of inquiry into Lloyd's headed by Sir Patrick Neill, the vice-chancellor of Oxford University.

Mr Brittan faced strong Opposition pressure at Question Time for Lloyd's to be hought within the scope of the hill, which sets up a new statutory framework for the operation of City institutions City institutions.

He was asked by Mr Derek Fatchett (Lah, Leeds Central) to make sure that the Lloyd's inquiry reported hefore the hill completed its passage through the Commons, so that the committee's recommendations could he ected upon immediately.

Mr Brittan said the timing of the committee's report was a matter for Sir Patrick. But he said the hill would not be a proper vehicle for statutory intervention in Lloyd's "even if Sir Patrick came to the con-clusion that it was appropriate."

There were also cleims from both Labour and Lineral MPs that Mr Michael Howard, the Minister for the City, faced a conflict of interest over the hill because of his membership of

Mr Bryen Gould, Labour's trade spokesman, esked whether the Government had considered the guidelines on minsterial conflicts of interest drawn up by Sir Winston Churchill and approved by every subsequent Prime Minister.
This directed that, where

there wes a conflict hatweeo a minster's private interests and his public responsibility, he must divest himself of his private interests.

Mr Gould said Mr Howard should either resign from Lloyd's or step aside to allow another minister to pilot the bill through the Commons. This wes a matter which the CBI and

others in the City would be concerned about.

Mr Paddy Ashdown (Lih, Yeovil). said Mr Howard's personal reputation was heyond question, but his status es e member of Lloyd's was hound The meeting took place to undermine the hill and the probity of the Government sion Sir Raymond was having with Mr Pattle on Airhus Indusany way to British Aerospace's trie's proposals for a new pro-expressed interest in the West- gramme. The connection is

Mr Brittan said he was perfectly satisfied that Mr Howard would be able to discharge his responsibilities with prooriety and honour. There were angry protests from some Labour MPs, lucluding Mr Dale Campbell-Savoars (Workington) who shouled: "It is an ebuse of our This discussion covered some take place, or in any further

Mr Howard did not respond thus aware of the arguments being made by the DTI, but believed that the shareholders of Westland should decide. That

of Westland should decide. That is still our position.

I have no doubt that Sir purely commercial discussion Raymond's account of the events and decision-making process. so fresh in his memory and Nevertheless, I think it is recounted to the board so soon important that you should after the event with the assist-understand the position of Poll boost British Aerospace. This letter is addressed to you and is not being copied to any

> Yours sincerely, Austin

for power sharing By Our Belfast Correspondent

reading dehate on the hill.

MORE THAN 68 per cent of people in Northern Ireland people in Northern Ireland agree in principle with power sharing hetween the political parties, according to an opinion poll conducted in the wake of the Anglo-Irish agreemant.

This was about the only area

of common ground hetween the unionist and narionalist communities in a survey which otherwise underlined wide diviotherwise underlined wide divi-sions. The concept of power sharing was supported by 61 per cent of protestants and 78.6 per cent of Catholics.

When asked to choose from a range of options for the future

of NUorthern Ireland, 24.1 per cent backed devolution with power sharing, 23 per cent com-plete integration with Britain, 11.4 per cent devolution with majority rule, 9.6 per cent continued direct rule, 8.8 per cent a united Ireland, 7.6 per cent joint authority between London and Duhlin and 5.6 per cent

independence.
The poll, based on 2,004 intertwice the normal number for such a survey—was com-missioned by the Belfast Tele-graph and conducted by the market research division of Coopers & Lyhrand, the accountants, earlier this month.
It revealed widespreed uncer-

tainty about what the new deel gave to the Duhlin Government, with 43 per cent believing Dub-The Secretary of State com- lin had a voice in decisions mented that customers could made about Ulster and 41 per not dictate the extent of the cent thinking its role was limited to consultations.

per cent of protestants thought The Secretary of State said a voice in decision-making was unacceptable. Almost half believed tha

tainty involving Westland agreement would lead to inshould drag on. Sir Raymond creased violence, but 88.2 per said that he had beard the cent disagreed with violent

BAe-Downing Street correspondence and DTI minutes in full LETTER FROM SIR AUSTIN PEARCE, BAe CHAIRMAN, TO MRS MARGARET THATCHER

would wish to see it. At the 6-That E-tish Aerospace and At no time was any discussion privatised company had con-

Under-secretary) all of his department, as well as his

ectly to a special board meeting of British Aerospace which was in progress and made a full 4 and 18.

Then there was the Cabinet the board. He elso wrote down committee meeting of December 13, which he says was cenceled and which Mrs
Thatcher maintains was never

says

stated that the following points
were specifically covered by the Secretary of State:

1-Expressed a view that as the DTI were our sponsoring department we should have consulted with his Department before we entered the con-2-To enquire whether we had

from which these minutes actions might have on our American business and in par-"Ooh!" cried Opposition MPs, delighted at this latest tithit.
"I do not think there is any the effect on Anglo-American business thet our actions might

left to the shareholders alone.

5—That the agreemant of the National Armaments Directors had never been endorsed by there was that incident when Leon Brittan intended to broadcast on BBC Radio 4's The World This Weekand, whila he, Mr Heseltine was atrictly forbidden to appear to reply for the Ministry of That we should withdraw.

State that what British Aerospace were doing was in the minutes of the minutes of the meetings which discussed it.

6—That what we were doing the mational interest.

5—That our European partners had a natural expectation that British Aerospace, the most experienced, should lead their reply for the Ministry of The should withdraw. to reply for the Ministry of Defence.

That we should withdraw. consortium in the attempt to A full transcript of Sir persuade the shareholders of Raymond's account of the pro
Raymond's account of the pro
Westland that their proposals are available if You were consistent and better

DEAR PRIME MINISTER,
You should be aware that,
while visiting Mr Pattie
(Information Technology Minister) to discuss Airbus business on Wednesday the Sth
Jenuary, Sir Raymond Lygo, my chief executive, had an impromptu meeting with Mr
Leon Brittan in the Department of Trade and Industry at 1700 hrs.

would wish to see it. At the end of his hoard statement, Sir Raymond asked that he be accorded the protection of the board since the matter in which he had been nominated as the spokesman was hecoming personalised and he was most unhappy with the situation. You should be aware that in his verbal reply to the Secretary of State, Sir Raymond made the

Kinnock and Mrs Thatcher.

Rising in bis new place below the gangway, the former Defence Secretary laid before the packed and silant House a tale of skulduggery in high places, secret letters, missing minutes, plots and counter-plots.

Of Trade and Industry at verbal reply to the Secretary of State, Sir Raymond made the following points:

1700 hrs.

The meeting was at the following points:

Secretary of State's request, in the presence of Mr Geoffrey in high places, secret letters, madedonald.

Macdonald (Mr Macdonald, DTI wise of the serious nature trade: that we had actually suggested that some of the words originally used in the National Undersecretary) all of his defects on our American trade: that we had actually suggested that some of the words originally used in the National Undersecretary) all of his defects on our American trade: that we had actually suggested that some of the words originally used in the National Undersecretary all of his defects on our American trade: that we had actually suggested that some of the words originally used in the National Undersecretary all of his defertion of the complaints that had been originally used in the National Undersecretary all of his defertion of the complaints that had been originally used in the National Undersecretary all of his defertion of the complaints that had been originally used in the National Undersecretary all of his defertion of the Secretary of State, Sir Raymond made the following points:

1—That the board had considered fully the implications of the effects on our American trade: that we had actually suggested that some of the words originally used in the National important programmes, Airbus, of State, Sir Raymond made the following points:

1—That the board had considered fully the implications of the effects on our American trade: that we had actually suggested that some of the words originally used in the National important programmes. Armament Directors' agreement be amended to evoid implying that the ection was protectionist.

2—That Sir Raymond had gone tium's Press conference to make a lengthy statement to one of the American correspondents ing questioned, i.e. the agree-there to the effect that he ment of the National Armathere to the effect that he ment of the National Armatics wished that the dehate would ments Directors, that the Denot be triviallsed to the extent partment of Defence, through of portraying the European consortium as being antishould be approached to learn American because It was not whether, what we had been in the National Armatics It was indicated to me that ance of notes made immediately British Aeros This letter and is not be developments and I therestant that we have refused to make any other party. consortium as being anti-American because it was not in the interests of the US to have a weak defence industry in Europe; quite the reverse,

American. In fact, the reverse 2-That in his own case be was married to an American, had spent many happy years in the US and served in the US Navy which ha suspects was a greater involvement in the US than anybody present at that meeting, and the last person that could he accused of being anti-American, in his view, was

4—Thet he found the reference to the national interest confus-ing, since we had heen told by another great Department of State that what British Aerohad a natural expectation that

tent to let the shareholders decide, so long as they were given the facts.

the same partners in our most important programmes, Airbus, the sponsoriog department, the US relation European Fighter programme, the Trigat (anti-tank with the European cousortium. Industrie.

British Aerospace, it wes considered important that our British partner GEC should he informed of what bad taken plece.
Also, since one of the condi-

tions precedent set before we joined the consortium was begiven to understand was correct. British Aerospace as a fully

Thank you for your letter of 12 January about the meeting at the Department of Trade and Industry on 8

You will have read Leon

Brittan's statement in the

House on Monday in which

House on Monday in which he gave his recollection, which was shared by the Ministers and officials present, of that meeting. You were kind enough to send me a copy of Sir Raymonid's account of the proceedings (which I under-

ceedings (which I understand that you are not pre-

stand that you are not pre-pared to have published) and I am sending you with this letter a copy of the record of the meeting taken by the Department of Trade and Industry, which will be pub-

Let me emphasise that we are pleased that the Westland board has enjoyed a

Dear Sir Austin

that these conversations had been reported to Mr Tehhit [then Trade and Industry Secre-tary]. Mr Pattie and Sir Brisn Hayes [DTI Permanent Secretary].

public comment and to be pro-European did not PRIME MINISTER'S RESPONSE—AND SIR AUSTIN'S REPLY choice of offer. As I have lished since it has become a told the House of Commons, Westland is a private sector public issue. I am publishing this reply.

> our policy. Finally, let me assure you, as I assured Sir Schn Cuckney [Westland chair-man] in my published letter of I January, that whichever of the two proposals currently under consideration the company chooses to accept, the Government would continue to support Westland's wish to partici-

> pate in European collabora-tive projects and would resist to the best of its ability attempts by others to discriminate against Westland. Thank you for agreeing that your letter can be pub-

public limited company and the company's decision on its Margaret Thatcher. the company's decision on its future is a matter of com-mercial judgment for its directors, and ultimately its shareholders. That remains Sir Austin seut a second letter to the Prime Minister at Downing Street yesterday. It reads: Dear Prime Minister. Thank you fer your letter of January 15 and for send-

ing me a copy of the record made by the Department of Trade and Industry of the meeting held with Sir Raymend Lygo on January 8.

It is evident there are two differing recollections of what was said at these meetings.

It is our hope that we will now be able to concentrate out the important investment of the contract of the important investment of the important investment. ou the important issues con-cerning the future of Westland plc. I am publishing this reply to your letter.

Sir Austin Pearce: differing Sir Austin Pearce. recollections

OFFICIAL RECORD OF MEETING BETWEEN MR LEON BRITTAN AND SIR RAYMOND LYGO support of the European MEETING with Sir Raymond in the Secretary of State's view, recommendation. This was now

Lygo: January 8 1986 Ar Brittan listened to these allegations impassively, but when Jim Callaghan, the former Labour Prime Minister, started to goad him, he could take no more.

Lygo: January 8 1986
On January 8 the Secretary of State took the opportunity of State to Had such views been House. expressed earlier they would The

ceedings is available if you were genuine and better.

director, Sir Raymond Lygo, cern to him as the sponsoring Amid furious shouts and catimpact on potential sales to the US of the A320 (Airbus Indus-

In response to Sir Raymond's space was considerably comment that the National of three senior officials who had served under a Labour Government to hack him up. It seems that the nerve of the main participants in this long sign is beginning this long sign is beginning this long sign is beginning the give way under t

undoubtedly have hindered the Secretary of State's efforts In the difficult and complex negotiations with the United States ing not done so and, British trade representative concerning semi-finished steel products.

Sir Raymond and Arrospace having taken a commercial decision to the semi-finished steel products. Secretary of State's concern. Secretary of State took no view British Aerospace's interest was on that position. to ensure that Westland remained a potential purchaser of material from his conmpay.

particularly damaging and the position and had been made potentially could fuel protectionist sentiment in the US.

of State's statement to the

The Secretary of State said that it might have been belpful Sir Raymond understood the in the European consortium, the Nonetheless he boped the way

in which the negotiations were conducted would not damage

hoped that discussions with pressed great concern about they had not done so. Sir Westland that evening would be their US husiness heing Raymond was fully aware of on a true commercial basis. An harmed. attempt would be made by both sides to lower the temperature at this meeting. Indeed Sir Brian Hayes (Permanent Secre-tary DTI) had himself congratulated Sir Raymond on his success in lawering the tem-perature at previous meetings. current round of discussions

At the discussion later that was not interpreted as being evening, British Aerospace anti-American in sentiment.
would probably make a further improvement in the European that the Ministry of Defence offer. In order to resolve a was British Aerospace's biggest shortage of engineering capability at British Aerospace some 100 engineers' work per annum

Tha Secretary of Stata responded by saying that he was ready to act immediately in defending British Aerospace's interest. He repeated, however, that, in his view, it was much more effective if the

anti-American in sentiment. single customer. He also emphasised that British Aerospace was considerably com-

the dangers and hoped that he was capable of managing this delicate balancing act.

The Secretary of State comenthusiasm with which any particular case might be pnt. particular case might be pnt. The coosultative role for British Aerospace had relations Duhlin was opposed by 55.7 per with this department also. Sir cent of protestants, while 86.6 with this department also. Sir Raymond took this point.

that it was not in the national interest that the present uncer-

Reduced inflation and sustained economic growth sought

THE GOVERNMENT yesterday published its Puhlic Expanditure Whita Paper setting out expenditure plans for the next three years. Tha main points are outlined here.

Further changes have heen made to improve information about tha spending plans. Thera is mora analysis of the valua for money being achieved and this is the first puhlic expenditure White Paper to set out the spending plans mainly by the spending plans mainly by department, rather than hy pro-gramma. This reflects tha way decisions era taken, and follows the presentation in the 1985 Autumn Stetement, The 1986-1987 supply astimates will be presanted oo tha same basis.

The Government's plans for public spending ara an integral part of its Medium Tarm Financial Strategy (MTFS), which is hringing about lower inflation and a sustained period of economic growth economie growth.

The cash totals set within this

framework for public spending are designed to hold total spending hroadly leval in real terms. As the economy grows, public expenditure will continue to fall es a percentega of national income and the burden of taxation can come down—improving motivation, efficiency and employment

Within tha available cash totals the Government aims to get better value for money from public spending year by year. The annual review of spending looks not just at the money spent but at outputs and tha efficiency with which they ere echieved.

The November 1985 Autumn Statement gava the hroad results of the annual review of public spending. This White Paper elaborates the plans for 1986-87 — which provids the basis for the Supply Estimates, cash limits and other speeding controls for the year aheed—and for the following two years. Revised projections of government receipts, speeding and borrowing over the medium-term will be given in the next Financial Statement and Budget Report (FSBR) on Budget Day. The estimated out-turn for the public expeoditure planning total in 1985-86 is £134.2bn. This

These totals are unchanged from the 1985 FSBR, when they were increased from those set out in lest year's Public Ex-penditure White Paper (Cmnd 9428) to include larger reserves and extra provisions for employment and training measures. A planning total for 1988-89 has now heen set, et £148.7bn.

PUBLIC SPENDING TRENDS

The estimated out-turn for the planning total in 1985-86 is 3.5 per cent above speoding in 1984-85, rather less than the expected rate of inflation of 5 per cent (as measured by the GDP deflator). The plans provide for cash increases of 3.6 per cent in 1986-87, 3.5 per cent in 1985-86, was in 1987-88 and 3.3 per cent in 1985-86, was in 1988-89. The trend is broadly in line with expected inflation; there quarters goes to functionalised provision has been increased and the gross aid programme these and the Redundant Mineworkers' Payments Scheme the Expenditure in 1984-85, and to a lesser extent in 1985-86, was inflated by the miners' strike, mainly as direct aid to more than 120 countries. More than three-quarters goes to EMPLOYMENT 3.5 per cent above speeding in 1984-85, rather less than the expected rate of inflation of 5 1988-89. The trend is broadly in line with expected inflation; in line with expected inflation; three-quarters goes to the tGDP defialor is assumed to countries with an annual increase by 4.5, 3.5 and 3 per income per head of \$790 or cent respectively. cent respectively in the years 1986-87 to 1988-89.

So in real terms public spending in 1985-86 is expected to be a little lower than in 1984-85. This remains the case even after allowing for the effects of the miners' strike, which increased speoding by about £2.5bn in 1984-85 and a little over £1bn in 1985-86. Over tha real terms is expected to remain broadly stable at around the

PUBLIC SPENDING AND NATIONAL INCOME

General government expendi ture as a percentage of GDP bas been falling since 1982-83. The definition of expenditure used in this comparison has been changed from earlier White Papers. General government expenditura covers speeding by central and local government. It differs from the plenning total, for example, hy excluding pert of public cor-poretions' spending and including debt interest payments.

With public spending over the next three years expected to be stable, en: the economy continuing to grow, this trend will continue. The percentage is expected to be 44.5 per cent in 1985-86, the lowest sinca 1979-80, and to fall to 41 per cent by 1988-89, the lowast since 1972-1973. Spending on goods and services as a percentage of GDP ahows a similar trend.

PUBLIC SPENDING DETAILS: PRESENTATION

There are different ways of enelysing total public speoding. Each of them is useful for answering different questions. This White Peper is organised mainly by department—"who plans it." This covers ell spending for which the relevant Secratary of State is responsible, whether it is carried out by central government, local authorities or public corpora-tions. But figures are also given for the different spending authorities—" who spends it "and for economic categories-

used in previous White Papers anelysed spending in part hy department and in part hy function. In most cases the two approaches are the same hut approaches are the same nut some departments spend money on a raoge of different functions. To complement the purely departmental approach,

summarisa key aspects in the main departments' spending. These include changes in tha allocation of resources, the ont-puts being achieved, and steps to get better valua for money

Planning

departments

The Government's objectives for defance are to ansure the security of the nation and maintain our freedom. Some £18.5bn has been provided in 1986-87, rising to £19hn in 1988-89.

Since 1978-79 provision for defence has more than doubled in cash terms. Spanding is being switched from manpower to equipment. In 1979-80 nearly 43 per cent of the budget was spent on manpower and just under 40 per cant on equip-ment; by 1985-86 a little under 35 per cent was spent on man-power and 46 per cent on

equipment.

Civilian manpower has been reduced, reflecting improve-ments in efficiency and tha aector, while regular and re-serve service manpower has been increased. Manpower is being switched from nonoperational support to front-

The UK's defence capabilities are benefitting from major and continuing re-equipment programmes for all three services. A wide range of measures is in band further to improve efficiency and value for money, particularly through increesed is the same as planned in the March 1985 FSBR.

The plenning total for 19861987 has been set at £139,1hn, and for 1987-88 at £143,9bn.
These totals are unchanged.

COMMONWEALTH OFFICE (inc. ODA)

countries, particularly the is the poorest Political and commercial considerations are taken The

less. The mein focus is on long term development, but emergency relief is also provided including some £75m in 1985-86 to drought hit areas of Africa. The remaining 40 per cent of the eld programme is provided as multilateral aid through channels such as the World Bank Group, the European Community and various

United Nations agencies.

The aims of the diplomatic wing of the Foreign and Commonwealth Office are to enhance the security and pros-perity of the UK and dependent territories and to promote and protect British Interests over-

In 1986-87 £640m is provided. Diplomatic or consular relations are maintained with 162 countries. Information gathared by FCO commercial offices makes an important contribution to securing export business. Funds are being pro-vided to improve the sudibility of tha BBC External Services throughout the world.

Spending on agriculture is intended to foster an efficient and competitiva egricultural industry, taking account of the interests of producers, procesindustry, taking account of the interests of producers, processors, traders end consumers. The growth in spending ovar 1984-85 levels chiefly reletes to market support under the European Community Common Agricultural Policy (CAP) rather than to UK domestic schemes. The Government will continue to seek changes in the CAP to to seek changes in the CAP to bring this spending under better control. The largest component of UK market support in 1985-1986 is for cereals; net purchases into intervention of 1.9m tonnes are expected, leaving stocks at 5.6m tonnes.

TRADE AND INDUSTRY (inc ECGD)

Spending is aimed mainly at regulating British commerce and encouraging and belping trade and industry to increase national production of wealth 'wbat is it spent on."

'wbat is it spent on."

The programme classification
In experious white Papers
In elysed spending in part hy
Idepartment and in part such as information technology, micro-electronics and fibre

PUBLIC SPENDING IN REA			PARTME	NT*		
zun (wese	1983-84	1984-85	1985-86 estimated outturn		1987-88 plans	1988-89 plans
Defence	16.2	17.3	17.4	16.9	16.g	16.2
Foreign and Commonwealth Officet	1.8	1.8	1.8	1.8	1.8	1.8
European Community	0.9	0.9	0.8	0.6		0.8
Ministry of Agriculture, Fisheries and Food;	2.2	2.1	2.4	2.0	2.0	2.0
Trade and Industrys	2.0	2.1	1.9	1.4	1.I	0.9
Energy	1.2	2.6	1.6	9.1	-0.5	- 0.2
Employment	3.0	3.1	3.2	3.4	3.3	3.4
Transport	4.5	4.6	4.4	4.4	4.3	4.1
DoE—Housing	3.2	3.2	2.6	2.5	2.5	. 2.5
DoE—other environmental services	3.9	4.9	3.8	3.3	3.1	2.0
Home Office¶	4.7	5.0	5.1	5.1	4.9	4.9
Education and Science	14.0	14.0	13.8	13.0	12.7	12.4
Arts and Libraries	0.7	9.7	0.7	0.7	0.7	0.6
DHSS—Health and personal social services	15.4	15.8	15.9	16.2	16.2	16.4
DHSS—social security	36.7	38.1	39.3	39.1	39.1	39.2
Scotland	7.0	7.0	7.0	6.9	6.5	6.4
Wales	2.7	2.6	2.6	2.6	2.6	2.6
Northern Iteland	3.9	4.0	4.1	4.1	4.1	4.1
		1.7	1.7	1.8	1.8	1.g
Chancellor's DepartmentsOther departments	1.0	1.2	1.3	1.4	1.5	1.5
Reserve				4.1	5.5	6.8

* Cash figures adjusted for general inflation. † Including Ovarseas Development Administration. † Including Intervention Board for Agricultura' Produce and Forestry Commission. § Including Export Credits Guarantee Department. ¶ Including Lord Chancellor's Department. ¶ Including Property Services Agency and Civil Superannu tion. ** The 1985-86 estimated outrum figure includes an allowance for shortfall. Tha 1986-87 plan figure includes external finance of -£400m for nationalised industries to be privatised that year. †† Totals bave been rounded independently.

PUBLIC EXPENDITURE PLANS AND *OUTTURNS AND ESTIMATED OUTTURNS

	1980-87	1391-97	1982-6	1393-94	1394-9	3 7399-00	1380-01	1961-00	7300-01
March 1988 White Papert	91.2	101.0	106.3	112.4					
March 1981 White Peperit	*92.g	104.4	109.9	113.6					
March 1982 White Papers	*93.9	*105.7	114.6	120.7	127.7				
February 1983 White Paper .	+92.7	*104.7	*113.0	119.6	126.5	132.3			
February 1984 White Paper .	+92.7	*104.7	*113.4	*120.4	126.5	132.1	136.7		
January 1985 White Peper				*120.3			136.7	141.5	
March 1985 Budget				*120.3			139.1	143.9	
This White Paper	+92.6	*104.0	*113.3	*120.3	*129.6	*134.2	139.1	143.9	148.7
t Converted Into		amalain	ad on v	age 109	- F -	nd 0404	Tot 9		

† Converted into cash as expleined on page 103 of Cmnd 8494 ‡ Including changes announced in the March Budget Statement.

competition in buying equip- British Steel Corporation on tha low ment. In 1984-85 27 per cent public finance, Provision for schemes.

ENERGY

The aim of economic exploitation of the nation's energy resources is pursued through The main aims of the over- tha department's spending on seas ald programe are to promote sustainable economic and schemes to promote energy social development and to efficiency. One of the major alleviate poverty in developing priorities in the coming year countries. particularly the is the privatisation of British

The trend in total expendiinto eccouot in allocating ture is dominated by the funds.

Provision has been increased energy industries. Apart from the Padandant Mine.

EMPLOYMENT The main objectives are to

promote enterprise and job creation, to assist unemployed people, to promote training snd to help the labour market work more efficiently.

Spending by the Department of Employment Gronp is planned to rise by about e fifth in cash terms between 1985-86 and 1988-89. For the Community and 1988-89. For the Community Programme the aim is to reach 230,000 jobs on the scheme by June 1986 compared with 130,000 a year earlier. The Youth Training Scheme Is being expanded from April 1986 to provide two years' training for 16-year-old school laevers and one year's training for 17-year-olds. for 17-year-olds.

Substantial increases in efficiency have been achieved. The job centre services are expected to place 1.9m people in jobs in 1985-88 (compared with 1.5m in 1981-82) et a cost per placing of £59 (£96 in 1981-82). In the nnemployment benefit service the average ratio of cleimants to staff has improved from 75:1 in 1978-79 to 119:1 in 1985-86, with s target for further improvements to 130:1 in 1988-89.

TRANSPORT

on motorways and trunk roads has been increased to some £815m in 1986-87, e 10 per cent increase over 1985-86. Construc-tion is planned to start on 150 miles of new road in 1986-87 compared with 80 miles in 1985-86. Much of the additional money will be spent on struc-tural maintenance—about 250 miles should be renewed. Since 1979 everaga costs of building motorways and trunk roads hava fallen hy 20 per cent in real

DoE-HOUSING

A major objective is to enable more people to own their own homes. And many more are schieving this amhition—63 per activing this amnition—35 per cent of dwelling in England ara now owner occupled, an in-crease of 8 percentage points or 1.5 million since 1979. Much of the increase has come from salas of public sector dwellings Overall provision falls from under the right to buy and other authorities.

£2bn in 1985-86 to £1bn in 1988- initistives: more than 720,000 Three-quarters of school 1989. A significant factor is the ln the six years to 1985, 75,000 leavers are achieving five or declining dependence of the homes heve been bought under British Steel Corporation on tha low cost, home ownership CSE results. In the higher tha low cost home ownership

> vide for nearly £10hn of capital spending on public sector hous-ing over the next three years. The Government intends that, within this total, priority giver. to improving the quelity of the housing stock should increase further. Provision of new homes, some 57,000 in 1984-85, is increasingly being concentrated on those with special contents of the contents of th needs that cannot be met in the private sector.

use of resources, attract private the number of medical and investment, end promote new dental staff in these services and flexible approaches to urban increased by almost 11 per cent. problems.
Combined provision for the

has quadrupled since 1978-79. Expected outputs in 1985-86 include 1,100 new industrial projects, training places for 16,000 people, 280 health pro-jects, and the reclamation of 1,300 bectares of derelict land. Increased resources will he available for the heritage, for exampla to improve the pre-aentation of monuments and huildings which attract more than 7m visitors each year, and for nature conservation.

HOME OFFICE AND LORD CHANCELLOR'S DEPARTMENT The main aims of spending on

the criminal justice system are to prevent and detect crime, convict the guilty, and put into effect the sentences or orders imposad on them. Total pro-vision of £5.5bn has been made

Police strength et March 1985 stood at 120,000—8 per cent more than in 1979. Numbers of offences cleared up by the police rose by 17 per cent between 1979 and 1984.

Tha prison population averaged 43,600 in 1984-85 and rose to 48,000 in the course of the current financial year. An edditional £100m has been allocated over the period of the plans to allow for continued growth in manpower and the prison building programme. The workload of the Crown Courts has risen by 67 per cent since 1979. The court building programme is planned to con-tinue; 161 courtrooms have opened in the past five years, 79 are being hullt and 54 will be started in 1986-87.

Provision of some £380m in 1986-87 is made for legal aid. This is to ensure that those without adequate formula.

without adequate financial means are not danied eccess to legal advice end to the courts.

EDUCATION AND SCIENCE

The aim is to raise standards of achievement for all levels of ability throughout the educa-tional system. Total spending of £14.3hn is planned in 1986-87, most of it incurred by local education sector, the number of students obtaining first degrees is forecast to be more than 100,000 in 1988-89, compared with 85,600 in 1979-80.

Additions of soma £35m e year have been made to previous plans to increase funding of promising developments in science, to strengthen research in universities, and to provide places for 5,000 additional students of engineering and technology.

DHSS-HEALTH AND PERSONAL SOCIAL SERVICES

The objective for the National DOE-OTHER ENVIRONMENT Health Service is to make the SERVICES

best use of resources to help people stay healthy, and to give them effective and appropriate annual provision is for a wide treatment and care where range of environmental, necessary. Total spending on recreational and economic services provided by local anti-vices in 1986-87 is planned to Spending in the inner cities assists selected areas facing severe social, economic and environmental decline. The aims are to get more effective the number 1979 to March 1985.

Between 1978 and 1984 the number of nurses and midwives urban programme, derelict land rose by 12 per cent. Numbers grant and urban davelopment of ancillary staff fell following corporations of £500m a year moves to improve efficiency in moves to improve efficiency in competition with the private sector.

Between 1978 and 1984 the

number of in-patient cases handled by the bospital services rose by an everage 2.4 per cent e year, in-patient cases per available bed by 4.1 per cent e year, and day cases by 8.2 per cent a year.

Annual efficiency savings from

Annual efficiency savings from bealth euthorities cost improvement programmes are expected to grow from tha £150m planned in 1985-86. This should mean that, after meeting cost pressures, there are further improvements in provision for old people and for services such as cardiae surgery and him. as cardiae surgery and hip-

repiscements.
The resources evallable to the Family Practitioner Services have also increased. The number of family doctors rose by 12.4 per cent between 1978 and 1984 while their average list size fell. The number of completed courses of dental treat-ment has risen by 15 per cent since 1978 to 31.2 million. The plana provide for forecast

DHSS-SOCIAL SECURITY

The aim of the social security system is, within the Government's wider social and economic policies, to provide for retirement pensioners and give en efficient and responsive system of financial help to others who need it. Spending of £43bn is planned in 1986-87. eccounting for more than 30 per cent of total public apending. The proportion spent on administration has fallen from 5 per cent in 1978-79 to 4.5 per cent in 1985-86 Ahout half (more than £20bn) of tha hudget will be paid to elderly people. The real value of the state retirement pension

of the state retirement pension has increased by more than 5 per cent since November 1978. Over the same period the number of people receiving pensions has increased by 10 per cent. About a sixth of the budget will go to unemployed people and a similar proportion to families, two-thirds of it in the form of child benefit.

The planned programme was

family income supplement will be replaced by e new femily credit schema to be paid through the waga packet.

THE RESERVE

The reserve provides a margin to meet contingencies not covered elsewhere in the plans, covered elsewhere in the plans, including estimeting changes. It is normal to allocate some of the reserve to dapartmental programmes as plens are rolled forward and firmed up.

The reserva for 1986-87 has heen set at f4.5hn. This is expected to be fully edequate; substantial additions to departmental provision have been mental provision have been made in the latest spending review to take account of factors such as the temporary increase in the inflation rate in 1985.

Larger reserves, at higher levels than in the 1985 FSBR, are provided at this stage for the second and third years of the plans—f6.25bm in 1987-88 and 48hn in 1988-89. The un-certainties are greater for those years, in particular because decisions on provision for local euthority current expenditure hava yet to be

PRIVATISATION

promote wider successful and to increase afficiency, wheher by competition or by tion.

other means Privatisation Local euthorities' capital allows more incentives for spending was more than that management and employees, and further overspending is expected in 1985-86.

In order to kaep spending in the 1986-87

privatised businesses benefits consumers, employees and the economy as e whole. The pro-gramme has belped double the number of shareholders in the

UK to shout 3m,
Proceeds from privatisation
are, in line with international conventions, netted off the public spending figures. They are estimated to increase to £4.75bn in each of the next three years. Receipts from the sale of the British Gas Corporetion are included.

Interest payments ere fore-cast to be about £18.5hn in both 1986-87 and 1987-88, and £19hn in 1988-89 — much the same as in the 1985 FSBR.

same as in the 1985 FSBR.

Spending, on social security (including pensions) has risen from 26 per cent of the total in 1978-79 to 31 per cent in 1985-86. Spending on health and personal social services has risen from 14 per cent to 15 per cent. Some further increase in both these areas is planned over the next three years, together with a continued rise together with a continued rise in spending on employment and training.

from 11 per cent in 1978-79 to 13 per cent in 1985-86; a slight fall in the proportion is now past increases continue to be felt and the programme of efficiency improvements build up. An increase in the law and the plans. A fall in the education and science share reflects the fall in the size of school rolls.

Gross spending on public sector housing, and subsidies to trade, industry and energy, have been reduced substantially as a share of total spending. The Government's policy is for the private sector to provide a greater share of housing needs, and Government support to industry — in both the public and private sectors—has been reduced as profitability has

Spending authorities

Central government is responsible for spending about three-quarters of the planning total. Local euthorities spend most of the rest. The rest is the nat amount public corporations, in-cluding nationalised industries, need to finance their activities.

CENTRAL GOVERNMENT

Seventy per cent of central government spending within the planning total is voted by parlisment through the annual Sopply Estimetes. Tha rest consists mainly of those social security payments which are paid out of the Noticeal Intervence Fund In total ebout 40 per cent of central government spending goes on social security. The two other largest components are defence and health.

LOCAL AUTHORITIES

Spending by local authorities accounts for ebout a quarter of public expenditure. Education spending is more than 40 per cent of the local authority total. cent of the local authority total.

Most of the rest goes on lew and
order, housing and other
environmental services, personal
social services and transport
expenditure. Detailed material
on local authority spending is
given in Part 4 of the White
Paper.

tha decisiona on tha Social tional financing huro Security Raviaw announced in particularly on ratepayers. Cmnd 9691. For 1986-87 the Government

Supplementary heoefits will be replaced by e new simpler income support scheme with special help provided through e separate social fued. Housing benefits will be simplified and family income supplement will be replaced.

Tweive English local authoritias will be subject to rate-capping. Twenty new anthorities, including tha new joint board for fire, police and transport in metropolitan areas, will be subject to sutomatic precept be subject to sutomatic precept control. Together these two groups of authorities eccount for apending of around £3.5bn.

The Audit Commission has estimated that efficiency gains of at least £1hn are possible in local euthorities to England and Wales. Value for more studies. Wales. Value for money studies are also under way in areas of Scottish local authority.

Tha Government looks to euthorities to improve their afficiency in delivering services. But the possibility that this process mey take time to develop, end that local authorities may spend more than is planned on certain servicea, has been taken into account in aetting the eize of tha 1986-87 Reserve.

For 1987-88 and 1988-89 the provision for local authority current spending has yet to be decided end the figures in this White Paper are hased on the same cash levels as 1986-87. The reserves for these yeers take this into secount. The Government looks to

take this into secount.

Net provision for local authority capital spending in 1986-87 has been increased by £200m to £3.7bn, compared with £3.1bn planned in 1985-86. Tha The privetisation programme £200m to £3.7bn, compared with is growing The eim is to £3.1bn planned in 1985-86. Tha promote wider share ownership and to increase afficiency, provision for housing renova-

> In order to keep spending in line with plans the 1986-87 capital ellocations from depart-ments to local euthorities take arount of all the sources of speriling power authorities have available, end the extent to which they may be used. The main other source is capital receipts, particularly from sales of council houses.

NATIONALISED INDUSTRIES control.

The planning total includes astionalised industries external finance—their borrowing and leasing plus grants from tha Government, Detailed informa-

Paper.

In 1986-87 external finance is planned to be £500m after making the adjustment for industries to be privatised. This civil Service Manyower turn of £2.2hn for 1985-86 tn'n of £2.2hn for 1985-86. strike are likely to have edded sbout fibn to coal and elec-tricity external finance require-

Authority or National Bus Company in view of impending privatisation. External finance require-

to decline, as losses are reduced in some industries and the in some industries and the venue collection, to combat drug profitability of others is trafficking and to reduce the improved. In both 1987-88 and queue for driving tests. Provi-1988-89 net external finance sion is also made for the new requirements of the remaining Crown Prosecution Service. industries are close to zero. As in previous White Papers no detailed breakdown of indivi-

dual industries' financing is shown beyond tha year ahead. However, British Rail, the National Coal Board and London Regional Transport continue to he the main expected reciptents of external finance throughout the period.

OTHER PUBLIC

As with netionalised industries for the majority of other public corporations the planning total includes their external finance. Examples are the urhen development corporations and the Northern Ireland Electricity

But for some other bodies, such as the new town develop-ment corporations, their capital expenditure plus subsidies to them counts as public expendi-ture. Details ere given in the White Paper.

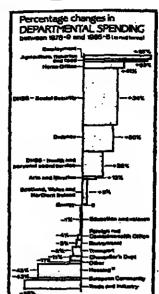
Economic categories

In 1986-87 some £50bn (35 per cent) of public spending will take the form of cash payments to the personal sector—mainly pensions and other social security benefits. Departmental running costs amount to £13bn (9 per cent). Othar public sector pay and othar purchases of goods and services from the private eector both account for about a quarter of the planning total.

CAPITAL SPENDING

The mix between these forms of spending varies greatly between different departmental

capital spanding plans for housing renovetion and roads have been increased by some £200m e yaar.



sector capital spending-including spending by the netlonelised industries and capital grants to the private sector—is expected to he some £21bn in each year of the plans.

These figures exclude most repair and maintenance spending and do not therefore measure the total flow of work from the public sector to the construction and capital goods industries.

CIVIL SERVICE RUNNING COSTS

The main element of running costs is the pay hill but they also cover eccommodation, personnel overheads and office services. The use of running costs as a control total is an innova-tion, which will help to improve

The new system reflects the Government's determination to exert e downward pressure on administrative costs following the reductions in mannower that have been echieved since 1979. When running-cost con-trol is working effectively the Government will review the need for separate manpower

Total gross running costs pro-vision for 1986-87 is some £13bn, which includes the cost of eddi-tional manpower resources. With the exception of the Minis-try of Defence, limits on run-

The number of civil servants has fallen by 136,000 (18.5 per cent) since 1979; from 732,000 in April 1979 to 596,000 in Octosoon film to coal and elec. In April 1979 to 500,000 in October 1985-86, with a target external finance is made for British Gas Corporation, British Airports Altways, British Airports Against that target the mannagement of the component of the power total allocated to departments is 588,000.

Within the plans extra priority has been given to staffments are expected to continue ing to support the Government's to decline, as losses are reduced policies on employment and re-

ARMED FORCES

For the armed forces manpower (including locally engaged personnel) is expected to fall from 336,300 ln April 1985 to 331,600 in April 1987. The figures are based on the manpower objectives set out in the Defence White Paper "Tha United Kingdom Defance Programme: The Way Forward" (Cmnd 8288), increased by subsequent commitments in the South Atlantic and other edjust-

been introduced to determine the minimum levels of service and civilian manpower needed to support the defence pro-

NATIONAL HEALTH SERVICE Between 1979 and 1983 the number of NHS employees in Great Britain rose by 66,000. But there was e fall of 11,000 between 1983 and 1984, bringing tha total to about 995,000, 8 per cent above the 1979 level. The management initietives and cost improvements planned by health euthorities provide the means and incentives for them further to improve efficiency in

their use of manpower. LOCAL AUTHORITIES

Manpower accounts for ebout three-quarters of local authori-ties' relevant current expendi-ture. Local authorities reduced their staff by ebout 100,000 or 4 per cent between June 1979 end June 1982 but since than the total has been hroadly con-stant, averaging some 2,280,000. Numbers in the education service have coma down, as action rolls have fallen, while those employed on law and order services heve increased in line with the Government's

Recent reports by tha audit Commission have damonstrated the Importance of better use of

my for ar

'The Government's best hope is to hold the line'

That comment by a senior Treasury official after last November's Autumn Stetement is vividly illustrated by the colourful charts in yesterday's Public Spending White Paper covering spending plans for the next three financial years. They ahow the femiliar ple-

in 1986-87, £143.9bn the follow-ing yeer and £148.7bn in 1988-1989, are unchenged from tha money. Antumn Statement. They Defence, up to now virtually The social security hudget. The biggest proportional cut assume that inflation, as exempt from attempts to con- which accounts for nearly a in overall expenditure is ex-

rather than receipts) then spending is shown as rising by nearly 1 per ceot in real, or inflation adjusted terms, by

crease of 4.6 per cent in the three years up to 1985-86. targets overshot with munoforcuse As a percentage of GDP the ing up to the present year, with targets overshot with monotonous regularity. The Government's hopes are then summarised in the flat lines running from the present to 1938-89.

The spending totals, £139.1hn in 1936-87, £143.9hp the following that the following the fol

SIX YEARS into a Government is not the time to start making bold declarations about how spending, particularly if you can hope for is to hold the succession of the government counts them in the time to start making is not the time to start making bold declarations about how spending, particularly if you can hope for is to hold the start making bold declarations about how spending, particularly if you can hope for is to hold the start making bold declarations about how spending, particularly if you can hope for is to hold the start making bold declarations about how spending, particularly if you can hope for is to hold the start making bold declarations about how spending to slash public third of all departmental spending, finds its budget third of all departmental spending, finds its budget third of all departmental spending, shows a planned fall next the per cent in real ing, shows a planned fall next the mexity where casb outlass are projected to fall ing over the past six years as the jobless queues have ageing of the population.

Social security claimants can the planning period, largely due to lower subsidies for the planning period, largely due to lower subsidies for the planning period, largely due to lower subsidies for the planning period, largely due to lower subsidies for the planning period, largely due to lower subsidies for the planning period, largely due to lower subsidies for the population.

Social security claimants can ageing of the population.

Social security claimants can age to find the current financial period, largely due to lower subsidies for the planning period, largely due to lower subsidies for the planning period, largely due to lower subsidies for the planning period at the Department of the population.

The Treasury seems more the past six years as shown the largest rise in spending, finds its budget that the

4 per cent over the three-year period. Thet letter cut follows a reduction of 59 per cent in real terms since 1978-79. Spending on the Halth Service and personnel services is That compares with a real inexpected to rise hy nearly 2 per cent next year and then remain

> At the same time, charges for prescriptions, spectacles and dental care are expected to increase much faster than inflation. In 1986-87 overall receipts from these charges are planned to rise by 5.5 per cent in cash terms, in the following year by 8.3 per ceot, and in 1988-89 hy 4.9 per cent.

The Treasury says that in the interests of ecocomic efficiency the ratio of claimants to staff has increased from 75:1 when the Covernment first took office to 119:1 this year. It plans a further increase to 130:1 by flat ln 1987-88 before rising slightly again the following Overall, however, the Government has once again found it

Ext easier to cut capital rather than 1988-87 is planned at £0.5bn current ootlays. Calls from the compared with an estimated Confederation of British Industry for more cash to restore the country's decaying infrastruc-ture have fallen on deaf ears.

In real terms, spending on capital projects is expected to fall by about 10 per cent in the three years to 1988-89.

The White Paper also shows a sharp drop in the external financial limits of the nationalised iodustries as the effects of the coal strike wear off. The strike is estimated to bave cost the Government £2jbn in 1984 1985 and £1bn in the current

External floance in out-turn of £2.2bn in the current financial year.

Spending on education, which has fellen by 1 per cent in real took office in 1979, is expected to bear much larger cuts over the next three years. Its alloca-tion from the public coffers is projected to be 10 per cent lower in real terms in 1988-89.

Government's special employ- spending targets than in past

Prisons will also get extra cash following a rise in the number of people incarcereted from 43,600 in 1984-85 to 48,000 in the current financial year.

Tha Treasury has dropped soaring unemployment. Social aoy target for Civil Service pay security outlays rose by 34 per because of the embarrassment coused by the repeated nverrunning costs.

per cent increase in cash terms next year, suggesting that the Treasury is being far mora realistic about pay settlements.

Wages account for about 70 per cent of all departmental period, should also ease the

EMPLOYMENT AND TRAINING

years. The overshoots in tha planning totals compared to original plans have varied from £1.4bn in 1980-81 to £7.9bn in Mucb of those, however, are

cent in real terms between 1978-79 and the current financial shoots in previous years, but instand it has set new targets for overrall departmental white Paper is that the jobless white Paper is that the jobless

total in Great Britain will fall The plans provide for a 5.8 slightly from the present 3.05m er cent increase in cash terms to 3m in 1986-87 and then remein stable at that level

local authorities still appears

futile. authorities will spend around £2bn more than was envisaged a year ago. For 1986-87 the Treasury hes optimistically provided for an increase of only 1 per cent in cash terms, and for the following two years it bas simply pencilled in the same cash figure.

That implies that the contingency reserves against unforeseen expenditure provided for io the White Paper — £4½hn in 1986-87, £6½bn the following year and £8bn in 1996-87 1988-88, are not quite as comfortable as they seem.

Philip Stephens

Three-year squeeze on the way

ALL OF Britain's social services three years to 1 per cent in that to the face a squeeze over the next inext financial year and just 0.4 pressures as the NHS but the three years, with only the per cent in the two years after plans show a small real cut National Health Service makthat.

The NHS also faces substanting marginal improvements.

The NHS also faces substanting marginal improvements.

The NHS also faces substanting marginal improvements are contacted to low income families with children will National Health Service making marginal improvementa. The NHS also faces substantial costs in the medical spaymenta and child henefit are set to fall in real value in each year to 1989—although political judgments may cause revision to some of these plans before then. The White Banar commentary to the process of the set of the process The White Paper commentary says total spending on bealth this year but as previous public and personal social services sector settlements bave tended in 1986-87 should be 7.5 per cent to be well in excess of tha in 1985-87 should be 7.5 per cent bigher than in the plans for 1985-86. But in face 1985-86 expenditure axceeded the original awards will put extra pressure on the NHS bndgets. mate of 4.5 per cent for in-

total expenditure is shown rising from £14.15bn in the

after an increase in real terms

will be about 7 per cent in real

terms between the current financial year and 1988-89.

Mr Michael Heseltine, Mr

Younger's predecessor, who resigned so dramatically over other issues last week, had set

DEFENCE

target have been announced

er cent compared with an estinate of 4.5 per cent for ination.

The National Health Servica
savings and with the new
signing from 614 15 hp in the their posts with a requirement to manage budgets to improve

The White Paper shows receipts from these items expected to rise by 5.5 per cent in 1986-87, 8.3 per cent in 1987-88 and 4.9 per cent in 1988-89. Although changes in the types and numbers of people exempted from charges can vary, these figures indicate befty real term

price rises each year. Estimates of social security expenditure have again proved to be substantially too low with rising from fil4.15bn in the current year to f16.48bn in 1967-88, representing increases of 6.6 per cent in 1986-87, 4.8 per cent in 1987-88 and 4.2 per cent in 1988-89. This means real rises of 2 per cent, 1.3 per cent and 1.2 per cent respectively.

But the picture for the NHS is gloomier even than those modest real rises suggest. Demographic changes, notably the increase in the elderly or "grey" population means that just to stand still the NHS needs an extra 1 per cent over and above inflation in 1986-87, o.9 per cent the following year add 0.8 per cent in 1988-89, cutting the real growth in the shows help for the sick and sove inflation in 1988-89, cutting the real growth in the shows help for the sick and shows inflation in 1988-89, cutting the real growth in the shows help for the sick and shows inflation in 1988-89, cutting the real growth in the shows help for the mentally sick, cutting the real growth in the shows help for the mentally sick, cutting the real growth in the shows help for the mentally sick, cutting the real growth in the shows help for the sick and shows inflation in 1988-89, cutting the real growth in the shows help for the sick and size the following year and 0.8 per cent in 1988-89, cutting the real growth in the shows help for the sick and size the following year and 0.8 per cent in 1988-89. This means should be greater than the the total for the current than the current then the current than the cu the total for the current finan-

about the reform of social security which will be imple-mented in 1988-89 hut whose families with children will govern decisions before then, principally militating against universal benefits such as child

benefit. The figures confirm that while the Treasury has not succeeded at £7 2 week for each child for the rest of the decade, the argument is going strongly its way

For both 1986-87 and 1987-89

the figures show plans to raise child benefit by much below the assumed rate of inflation. For 1986-87 it is planned to rise by just 1 per cent to £7.07. As ehild benefit is always rounded in 5p steps, this means either £7.05 or £7.10. In 1977-78 £7.05 or £7.10. In 1977-78 calculations show child benefit rising by less than 3 per cent to either £7.25 or £7.30 whereas to keep pace with inflation assumptions it would need to be £7.55 or £7.60. Child benefit is a universal benefit paid to all children and the child popula-tion is projected to fall from 12,2m now to 11.9m in 1987-88.

The cost of child benefit is planned to rise from £4.4hn a year now to £4.5bn in 1987-88, around £200m less than the cost would be if the current payment of £7 were maintained in real

Robin Pauley

The state industries remain dependent

THE GOVERNMENT'S tong-standing ambition of ending the dependence of national-ised industries on external finance remains as far away as ever, still being hopefully pencilled in for the last year in the three-year planning process.

As long ago as February 1984 the Government said it hoped that by 1986-87 the external financing limits (EFLs), which were as high as £3.5bn a year in 1981, would be down to a mere

In spite of the removal of a number of industries from the public sector, improved performance and efficiency in others and demands for ever larger contributions to the Government's coffers from the profitable industries the target of overall break-even target of overall break-even has remained fantalisingly out-of-reach. In Fehruary 1985 the White Paper accepted that total net external financing limits for 1985-86 would be £1.3bn and that in 1986-87 the Government would still be paying out around £178m. But it hoped that by 1987-88 a net repayment to the Government of ment to the Government of around fillem might be

The new Whita Paper again moves the bopes a year further on. The estimated outturn of external financing limits for 1985-86 has riser lo £2.2bn and the assumption now is that external finance amounting tn £529m in 1986-87 and £67m in 1987-88 will still be needed but that a small net repayment of £27m is the goal for 1988-89. The 1986-87 figure assumes that although both British Airways and British Gas are destined for privatisation during the year they will still make net repayments totalling £400m before thay go; without this calculation the 1986-87 EFLs would total

The nationalised industries' capital requirements are expected to remain hroadly con-stant over the three years bot the Government bopes that further cost and efficiency improvements will result in more funds being generated internally rather than externally through Government loans and borrowing from the UK and overseas money markets.

The 1985-86 ontturn is worse than planned because, according to the White Paper, "it is currently estimated that the knock-on effects of the miners" strike are adversely affecting the coal and etectricity supply industry 1985-86 estimated outturns by around fibn."

The external financing limits for 1986-87 show the now familiar pattern: euor-mons demands on public funds from the coal and rail industries largely offset by a requirement for the elec-tricity industry in England and Wales to make a very large surplus and contribute £1.4bn to the Government.

It had been hoped that electricity would contribute more than £1.1bn in the current year and gas a further £352m but the revised figures estimate electricity's contribution at only £400m and gas only £176m, the latter because of increases in gas costs caused by exchange rate finctuations.

British Rail needed an EFL of £901m in the current year but the bope is that this will fall to £771m in 1986-87. The National Coal Board has an EFL of £730m in 1986-87, roughly the sama as the esti-mated need of £740m for the current financial year.

A recent addition to the list of nationalised industries. London Regional Transport, is third behind rail and coal in its need for external finance. Its EFL is set at £304m for 1986-87 compared with an estimated outturn of £323m in the current year.

Robin Pauley

Expansion plans checked PLANS TO expand training stitution of the commission-to on the Joh Release Schame, and decide. Not all are likely to proposals to end the stata con-

provision on the Community Programme for the long-term unemployed are likely to prove a casualty of financial constraints on the Manpower Services Commission.

Yesterdey's White Paper shows that the MSC's expenditure is planned to rise from an estimated outcome of \$1.570 has been shown as \$1.570 provision on the Community

estimated outturn of £1.578hn in 1985-86 to £1.820bo in 1986-87. Further increases are planned, to £2bn in 1987-88 and £2.14hn in 1988-89.

The Commission had, however, been hoping to have an additional £27m to spend next year, and commissioners will bave to consider at their monthly meeting next week which areas of proposed expenditure should be con-

element into the Community Programme, which provides the adult long-term unemployed with work on socially-worthwhile projects, is a likely area for making savings.

It will, bowever, be for the MSC's nine part-time com-missioners—a number of whom

be happy to drop long-discussed plans to improve the future employment prospects of long-term unemployed penple by providing training on the Com-munity Programme.

The number of places on the Community Progremme is currently being expanded to 230,000 by June — compared with 130,000 in the middle of last year — and the cost of this helps to contribute to an increase of £415m in the Department of Employment group's total spending provision between 1985-86 and 1986-87. It is elso likely that further culargement of the programme will be announced in the Budget.

The group covers the Health and Safety Commission and Safety Commis Community Progremme is cur-

Budget. Proposals to build a training Plans to extend the Youth Training Scheme from one to two years also hegin to coma into effect this year. This, and the proposed expansion of the Enterprise Allowance Scheme which helps unemployed people start their own businesses, also contributes to the increased pro-

vision. will be attending their first Savings will be made from meeting following the recon- lower than expected spending

tribution to many redundancy payments later this year.

This balances nut at total estimated expenditure of £3.332hn for the Department of Employment group in 1986-87. The group covers the Health

year-olds.

Tha Department bas recently assumed responsibility for tourism, which the Govarnment area in the economy. An extra £6m is being made available next year to promote the industry, including an effort to encourage mora foreign visitors to travel outside London.

Alan Pike

TRADE AND INDUSTRY

Support for businesses to fall

IMPLEMENTATION of the efforts to comhat fraud, turer, This provision was made of Trade and Industry in industrial support, and forecast improvements in the financial position of the oationalised industries are the main reasons for a big fall in provision for the department's spending in 1988/89. It will be £1.03bn against an estimeted outturn of £1.96bn in the current financial

Within the overall reduction. provision for increases ara made steel will drop from £17m to in selective assistance areas £8m, and for shiphuilding from to £97m, and io selective assist- £49m to £26m. This includes (Section 7 grants) from £89m ance to individual industries (Section 8 grants) from £39m to £64m. Increeses are also proing to the regulation of trade Westland Helicopters and and industry, including extra Augusta, the Italian manufac-

announced last week. The total provision for this sector is £40m over the Westland rescue. by 1987/88, compared with £22m in the current year. Substantial changes in the support for certain industries

is planned, particularly aero-spare which will fall from fillm to flom, reflecting receipts now coming from previous programmes and ahared contracts, Support for spending on launch aid, includ-ing that to British Aerospace for its participation in the Air-hus A320 end the EH 101 helicopter joint venture between Westland Helicopters and

Ccbanges in the allocation of

regional development grants from the old to the new schemes means there will be a fall in the provision from £208m to £123m in the period following the period of overlap between the two schemes.

Spendin gon the nationalised industries will fall dramatically from £706m in the current year to forecast provision for receipts of £40m at the end o ftbe period tura by the British Steel Corporation heing brought forward, in particular, and and other industries.

Hazel Duffy

EDUCATION

Teaching resources to shrink

THE WHITE PAPER dashes authorities are scheduled to re- increase slightly. thet the education service will have to make do with diminishing real resources.

Slightly more than £14.3bn is earmarked for allocation through the Department of Education and Science in the 6-87 financial year. Of that the hulk is for spending by the local edication authorities directly responsible for schools, colleges and polytechnics in England end Wales. Expendi-

any hope in state educational ceive £10.8hn in the 12 months institutions that the Government ment might have become more spending, which is about £210m ment might have become more spending, which is about £210m generous to them since it outtined its spendiog plans in they were allowed by last November. Yesterday's document reinforces the message Paper. But the increase is still about £500m sbort of the amount the authorities have said they oeeded for their current spend-

Tha universities are to have a total of £1.41bn for recurrent spending in the year from April, compared with an esti-mated £1.38bn in 1935-86. But in real terms the universities' of about 1.6 per cent in their funding, and they are evidently ture oo similsr non-universities in Scotland and Northern Ireland is budgeted separately.

The English and Welsh numbers are scheduled to to expect similar reductions in

Tha news is rather better for certain "selected" aities, which have still to be officially nominated. They are to share £10m instead of the £7m earmarked a year ago for the upgrading of research equipment in 1986-87. Science spending through the

Research Councils has also been increased by £15m to a total of about £615m in 1986-87 against about 2013h in 1900-57 against £580m in the preaent year. But although the extra money raises the science hudget to its bighest ever figure, it will still allocation represents a decline inadequate by the pressure of about 1.6 per cent in their group of British scientists funding, and they are evidently formed this week to lobby for increased funds.

Michael Dixon

OVERSEAS AID

New soft loan facility for exporters

BRITAIN'S overseas aid should payments, rising further by 3.6 1985, the grants available under stay slightly ahead of inflation per cent and 3.3 per cent return the ATP bave been supplement year, with net spending spectively. These increases mented by a new soft loan next year, with net spending planned to increase by 4.8 per cent, from £1,133m in 1985-86 to £1,187m in 1986-87. In sddition, capital repayments amounting to £72m from past aid loans will be available for not exceeded. new expenditure by the Over-

The Aid and Trade Provision, aeas Development Administra- (ATP), which is e category of Thus, the ODA's total aid designed to support British ceiling for aid spending in exporters facing competition 1986-87 is fixed at £1,259m. from export credit subsidies by from export credit subsidies by The planning totals for the other industrialised countries. following two years project new should continue to rise in the overseas aid, net of capital re- year ahead. From November

abould continue to keep facility, at a cost rising from Britain's aid expenditure £3m next year to £10m and £3m next year to £10m and epproximately constant in real £20m respectively in the terms, provided the Govern-ment's inflation assumption are succeeding years. The Government's stated Objective is to double by 1988-89

the amount of British business supported annually by ATP grants and loans. The total ATP allocation proposed for 1986-87

Anatole Kaletsky

CIVIL SERVICE Pressure on costs

Service allows for pressure to be put on administrative costs

with a terget of 590,00 by April have always been put 1988, which is 20 per cent be a three-year period.

The change of recommendation of the change of recommendation of the change of recommendation. trolling the costs of the Civil with a terget of 590,00 by April have always been produced for as well as exercising control through manpower reduction targels.

The White Paper points out

Limits on running costs will the Government will have greater flexibility in deciding targets.

Estimates, except for the Ministrance spending levels in stry of Defence Defence takes furnity of Defence takes that the control of the page (22)

ning costs have been increasing ning costs provision, by far the largest followed by Health and rate of inflation. The new Social Security with 13 per cent figures in what will probably be system, which it is intended The number of health service a general election year. This system, which it is intended will gradually replace manpower targets, will highlight running costs in each departrunning costs in each departthe need for management initia. running costs in each depart the need for mangement initia- necessary. under closer control.

70 per cent of civil service about 15 per cent of public extra staff to implement govern-

acrumising their running costs for the past six years but the Covernment wants a longer run in period for this comrol to be working effectively before reviewing overall manpower control. to be working effectively be-fore reviewing overall man-power controls relating to

urrent financiel year.

596,000 in October 1985. Further reductions are planned

that central government run-The new Social Security with 13 per cent figures in what will probably be

70 per cent of civil service within the manpower target, costs, which in total represent provision bas been made for been and revenue collection, combating drug trafficking and costs ting drug trafficking and costs.

or implementation of major define projects—though it staking over the Defence Ministry at a very difficult time, yesterday's White Paper has provided it. Defence spending, November. The budgets, which after an increase in ware first published in the seems certain to want to be seem

include diminishing sums for of at least 20 per cent since the defence of the Falklands, the Tories took office in 1979, are £18.5bn for 1986-87. £18.8bn the defence of the Falklands. is to decline. Figures published for 1987-83 and £18.9bn for yesterday show this decrease 1988-89. Falklands spending defence budget, by continuing his predecessor's tougher policies towards defence 1988-89. Falklands spending declines from 2 peak of £684m in 1984-85 to £442m, £292m and contractors. £192m in tha three years in

Funds for armed forces to be reduced

According to the White Paper, contracts placed by the On the Treasury's current Ministry of Defence through estimates of annual inflation of other issues last week, had set bis face firmly against a defence review and Mr Younger seems decline in tha hudgets in real certain to do the same in the terms is estimated at 1 per maximum of the 2; years left cent, 12 per cent, and 1.5 per to him before the next election.

However, he will face a number of distinctly unpleasant the decline could be more aerious, since inflation rates are aerious, since inflation rates are concerning under-estimated. demands of Britain's armed generally under-estimated; services and their widespread much depends on the level of ohligations
Defence Ministry officials
now busy hriefing the new
Defence Secretary righlly point
out that defence has done very
well over the last seven years

much depends on the level of
pay increases which are
pay incre

be nearer 60 per cent.

However, Mr Younger will be the aircraft in favour of buying feed with the same dilemme as Mr Heseltine: if there is no defence review that are the same and the US. defence review, there will bave to ba cuts or delays in the start

of trying to get better value for moratorium on payments to money out of the defence pro-defence contractors applied in curement budget, which is the disruptive run up to tha nearly 50 per cent of the total 1981 defence review. None of this will be easy, as key projects like Trident, with its high dollar costs, come to a

peak at the same time as new funds must be found for the European Fighter aircraft Ministry of Defence throngn direct competition increased from 14 per cent of total contracts in 1979-80 to 27 per cent in 1984-85. Adding other contracts which were "placed hy tracts which were "placed hy most controversial project now awaiting Mr Younger's attention. He must decide soon

tracts which were "placed hy reference to market forces," the total of contracts placed competitively increased from \$200 per cent to 46 per cent over those years. MoD officials hope last year's figure will prove to be nearer 60 per cent.

However, Mr Younger will he awaiting Mr Younger's attention. He must decide soon whether to spend upwards of \$500m over the next few yeers, on top of the £1bn already spent, in trying to bring the aircraft up to a stendard acceptable to the RAF or abandon the statement of the

.. Bridget Bloom

LOCAL AUTHORITIES

Councils kept waiting

made for the Civil servant numbers have ment on the province to the province and the provin Civil servant numbers have ment on the provision for local The change of policy means

> In particular, ministers have not tied themselves to specific

nent and aim to oring them tives and cost improvements. The other likely factor in management and aim to oring them tives and cost improvements. The other likely factor in Manpower accounts for about planned by bealth authorities. ment's frustration at finding

A PROVISION of £18.3bn total published targets. The latter gross running costs has been will thus remain in effect at made for the Civil Service in less than the public expenditure been taken by the Government of the control of the ture survey later this year "in the light of local authorities" budgets for 1986-87, and other factors." The fact that pro-vision for later years may need factors." to be increased has been taken into account in setting the level Local authorities' current

> spending in England and Scotland continues to run well ahead of published plans despite rate limitation and the grant pressures the Government has applied. In 1985-86 local anthorities in Great Britain bave budgeted to exceed relevant current provi-

> sion by about £1.1bn, roughly the same as last year. There is a capital expendi-ture provision of £3.7bu for Britain in 1986-87 but this implies provision for gross spending of £5.9bn when forecast receipts of £2.2bn, mainly from the sale of council houses, are

> taken into account. Overspending of about £750m in England is again forecast for 1985-86 despite the Government's request to local anthorities for restraint in capital spending.

Richard Evans

Feona McEwan reports on the progress of a campaign to revive the fortunes of British products

es, more and more British consumers are seduced into buying suappily designed electronic gadgets from Japan, stylish and super-efficient cars from West Germany, and a host of other top-quality imported

industry continues to suffer from a debilitating blindspot about the competitive edge which can be gained from

Encouraging more invest-ment in design, as part of the development and marketing of competitively-priced products, has been the clarion call of the government-backed Design Council for years. But it has proved a hard nut to crack. Since 1982, when the Prime Minister herself began to hang the drum, the

Pyrex hots up the pace

PYREX GLASSWARE bas been a household name among British consumers since the 1920s. But as its markets have become more fashion-conscious, its products have increasingly lagged behind more design-orientated competitors.

When Corning, the Americanowned company behind the brand, decided to renew the entire Pyrex UK range in 1982, and commissioned a special market survey, It discovered the worst: the Pyrex image was seen as outdated and "Design had previously been done mainly in-house, often without much reference to the needs of the market," admits David Dowson, Corning UK's marketing and sales director. "Engineering disciplines are required in designing glass moulds, and many products looked as if they bad been designed by an engineer. Attention was paid to internal con-siderations—like being good to tile range along classical, yet make — but not to externals, modern lines, in place of the such as being good to disparate, functional pedestrian look at, easy to bandle, and so shapes of old. For instance, a

Corning bad already decided to employ Conran Associates before it sought the Design Council's belp. "What the scheme did was enable us to afford very much more," says Dowson.

Dowson.

Salad bowl by adding a status and servers.

Consumers have proceeded to vote with their purses. Volume sales of Pyrex hakeware rose afford very much more," says Dorson, 1985, and the brand's market "where our people felt before that they couldn't afford the

Designed to recoup lost ground

Fifteen working days of specialist design consultancy are offered, with no charge industry attractive sunsidies to make use of Britain's wealth of design consultan-cies, many of which still complain that lack of domestic demand for their for the first two days. Thereafter the company pays a quarter of the cost, with the work forces them to earn most of their keep from the UK's rivals abroad. UR's rivals abroad.

The Support for Design scheme, which the Design Council operates with funding from the Department of Trade and Industry, is aimed at persuading unconvinced small- and medium-

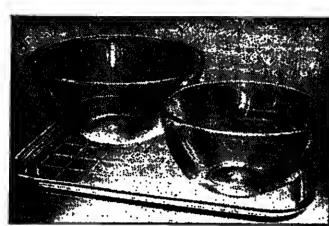
So far, 4,000 projects have been undertaken, 60 per cent of them for companies which of them for companies which have never before used design consultants. Over 2,000 projects have been completed. The design input has covered all manner of product design, from fashion items to hydrostatic bearings, pocket diaries to amplifiers. Services

bave contributed significantly to the company's rejuvenation."

ing more beavily on television.
There wasn't much innovation
before . . " says Dowson.

before . . " says Dowson. Shifting the old Pyrex image

will be a long-term problem,



First, the volume selling items were identified and some 15 doubt," says David Simpson, new products commissioned. Pyrex brand manager, "that the combination of good engineering design and creativity have contributed significantly Housekeeping Institute vetted them for ergonomic accuracy (measures and capacities).

The result was the Classics range of co-ordinated glass hakeware, launched in 1984, which is a cobesive and versaproud of, we will be advertising the stress classical versage of the company's rejuvenation."

Other factors, like advertising and repackaging, must also take a bow.

"Now that we have an up-to-date range which we can be proud of, we will be advertisation."

vinced simple stat design does indeed pay, by swelling sales and boosting profits. Originally open to companies with between 30 and 1,000

employees, it now stipulates "up to 500," which means

that start-up companies can

n." mixing bowl now becomes a will be a long-term problem.

Corning bad already decided salad bowl by adding a stand though Dawson reckons people

Dowson.

Together, they worked to combine factory practicalities with that all-important missing ingredient, consumer appeal.

So per cent between 1983 and the brand's market "where our people felt before that they couldn't afford the best design, now we believe we ingredient, consumer appeal.

Scheme or not," says Dowson, 1985, and the brand's market "where our people felt before that they couldn't afford the best design, now we believe we can't afford not to have the very best."

the first time, embracing interior design, corporate ture and packaging. can be seen at an exhibition which opened yesterday at the Design Centre in London featuring many of the products which have benefited. The stories of two of them are outlined below.

balance paid by the DTL. In effect, this means about £3,500 worth of consultancy

Not all industries are using the scheme as much as they might. Fashion and heavy engineering are notable by their ebsence, says John Benson of the Design Council Starting with the clothing industry, the Council is mailing those companies that have sheen most resistance to offers of support. On Japan's wavelength

identity, promotional litera-

The fruits of the scheme

SELLING RADIOS to the Jopanese is like sending bulbs to the Netherlands or watches to the Swiss. They have to be really outstanding to have much

of the scheme? On the evidence so far, according to Benson, about 60 per cent of companies continue to use the designer beyond the statutory 15 days. Only seven per cent have rated the per cent have rated the scheme of no or little value. A random sample of 41 companies, surveyed two years after they had used the scheme, showed 12 to have products already in manufacture and 13 scheduled for

next year. For the design industry itself the scheme has obviously been good news. Many small consultancies have benefited, along with the leading industrial and leading industrial and engineering design firms. For

them "it's not unusual for six or seven assignments to result from it in a year," says Michael Sadler-Forster, direc-tor of the Society of Indus-trial Artists and Designers. "Ent the said test to how "But the acid test is how long term such relationships prove to be—and that has yet prove to be—and that has yet to be seen in quantity terms. The number which don't pro-ceed after the initial 15 days is alarmingly high, though to some extent this is the responsibility of the consult-

It has not yet been decided how long the scheme will last, but a budget of £7.5m has already been approved for 1986-87, following expenditure of £6m in the current financial year. Before that government funding totalled £3m over three years.

Profit by Design exhibition runs until February 23 & the Design Centre, 28 Haymarket, London SW1 4SU.



from the once massed ranks of famous companies such as Bush, Murphy, Ecko and HMV.

Ross used the design consultancy scheme to strike a hlow for product innovation. The imaginative and stylish design of its competitively-periced radio (£29.95) bas won the massed ranks of set out to buy presents. "I found them all very unattractive and bulky." Which oet him thinking, "I felt the radio industry had declined for the wrong reasons, in that it didn't give the consumers what they wanted."

Marks needed no spur to use industrial designers, having the large industrial designers.

British lifestyles

The quirky customer

David Churchill examines a spending puzzle

in to watch films on their video machines.

This reversal of years of decline for the cinema trade, allied to one or two other straws in the wind, is causing some concern to Britain's marketeers at the beginning of 1986. Has the firm trend of the 1980s towards more homecentred activity, expenditure, and entertainment come to a premature end?

The answer is crucial to the

The answer is crucial to the marketing plans of consumer goods manufacturers, High Street retailers, and most companies in Britain's blossoming leisure industries. Strategies that have been developed on the barie of consumer and the barie of consumers and the consumers of the c the basis of consumers spend-ing more time and money at bome suddenly do not look so

"There is no doubt that the trend towards home-orientated activities that we've seen since 1980 was not so strong last year," says David Darton of the Henley Centre for Forecasting, which has just published its latest forecasts of Leisure

The "straws in the wind" that are also beginning to worry marketing executives include the buoyancy of foreign holi-days in 1985 and the increased popularity of out-of-home activi-ties such as visiting theme parks and watching sports (apart from soccer)

Yet it would take a bravehome-centred trend of the early to he dislodged that easily.

The impetus for "Fortress Britain," as it has been dubbed suitancy scheme to strike a hlow for product innovation. The imaginative and stylish design of its competitively-priced radio (£29,95) has won considerable acclaim from the trade. Between last October's launch and Christmas an encouraging 20,000 of the softly rounded products had been sold into retailers' distribution sold into retailers' distribution is already expecting to ship up to 100,000 this year to the UK alone.

Though exports have not yet begun, one possible Japanese customer has already indicated interest in taking at least 10,000 radios a year.

The company's move into The Company's move

A FUNNY thing happened to plunged further into gloom as the British way of life last beer sales have fallen and year: more people went out to the cinema instead of staying in to watch films on their video time, take-home sales of alcohol hove boomed, with many super-markets now doing over a third of their husiness from drink

alone.

As with drinking, eating out has failed to provide a real alternative to eating at home. Spending on eating ont has only risen from 2.29 per cent of all consumer spending in 1975 to 2.34 per cent last yeer. The main growth sectors have been low-budget take-aways and fast-food. Yet home-centred activity has

not simply been e response to the recession and poor economie circumstances shows the trend towards the home has been spearheaded by the ABCI socio-economic classes —broadly professional and managerial—who have most disposable income. It seems that many people in these groups actually prefer to live e bome-centred life.

Hence the sales boom during the past few years of nonessential appliances such as microwave cookers, coffeemakers, and deep-fat fryers.
The bome has elso become an entertainment centre in its own right, with many bomes owning two or more televisions and e video cassette recorder, not to speak of all their up-market stereo equipment. New tech-nology, in the shape of compact disc players and home compu-ters, is also making the home or foolish—marketeer to clutch a more entertaining place to be, too firmly at such straws. The Many other trends also reflect the popularity of the home—such ea the strength of do-it-

yourself activities, and gardening for leisure.

Most observers of consumer trends agree that there seems

International trade financing makes us

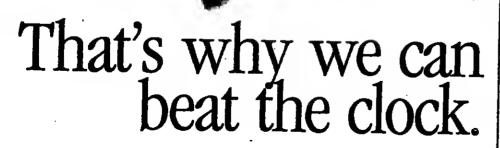
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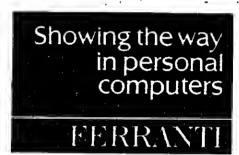
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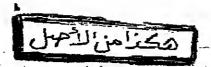
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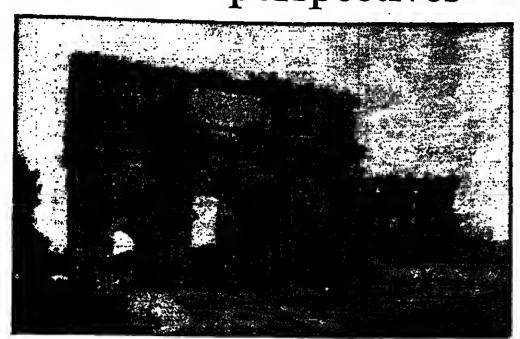
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THE ARTS

Exhibitions/Patricia Morison Tourist perspectives



"The Arch of Constantine" by Ducros

Fashionable travellers on the 18th-century Grand Tour did so at considerable cost to their pockets, patience and health, but at least they joited home with portfolios of picturesque ruins in sublime landscapes rains in sublime landscapes which would efface memories of drunken customsmen and flea-ridden inns. Louis Ducros, a shrewd and busy Swiss artist who painted bumper-size, brilliantly coloured watercolours, was high on the list of any visitor to Rome and Naples between 1777 and 1807. tween 1777 and 1807.

Images of the Grond Tour, first reviewed by Roy Strong in these columns last October, has come to the Whitworth Art Gallery, Manchester (until February 22), from Kenwood House. A joint Anglo-Swiss exhibition, It argues interestingly the case for Louis Ducros as an important figure in the history of land-scape painting. Many of the exhibits come from the Museum of Lausanne, Ducros's home town where for the last 30 years a campaign has been slowly maturing to lift him out of obscurity.

Ducros is not to everyone's taste—there are too many pains-takingly executed bricks in the Arch of Titus and too much aqueous blue in the distant prospects; moreover, although it was common at the time for assistants to put in the figures there are some especially weak and fatuous ones in Ducros's work. But contemporaries liked it; no less a person than Catherine the Great ordered a set of his hand-coloured

etchings. He was recognised as a dah French. hand at waterfalls, with collectors avid for bis views of the and effective works in the ex-

Typical was Sir Richard Colt parts of Valetta which Ducros Hoare, owner of Stourheed, who rbapsodised nver Ducros'a drametic scenes of the Falls of Tivoll where the antiquarian visitor could "breath the same air as Sallust, Horace and Propertius." Stupendous and elightly vulgar, Ducros's water. falls were to have an influence on an illustrious young contemporary. Turner was patronised by Colt Hoare and evidently encouraged by the Swiss artist's taste for the dramatic to look bimself for grand effects in the once bumble medium of water-

Ironically, one of the reasons for Ducros's long neglect was and brilliance tn watercolour. He used sheets of paper stuck together and mounted on canvas in get the large format in which be laid a mixture of oils, gouache, watercolour and lots of varnishes. The result is a conservator's nightmare, with large areas of rubbed and darkened surface. A feature of the catalogue is an essay on the techniques used at Lausanne to clean up. Duesse an extending the catalogue is an essay on the techniques used at Lausanne to clean up. Duesse an extending the catalogue is an extending t to clean up Ducros, an extremely laborious and costly

With his techniques for turnlng out souvenirs at a tremendous pace Ducros should have ended up rich. Unfortunately, jealous local artists and the French Revolution drove him from Rume and Nanles. Wisely be decided to catch on to the rampant British lion, for In 1800 a British general took him to Malta to record views of the island, newly won from the

cascades at Terni and Tivoli, hibition, particularly as the Fowler,

recorded, like the fish-market and the Porte Royale, were destroyed in the last war. There is an impressive sweep in the views of the massive battle-ments, stormy skies lighting up the houses, half-Venetian and half-Moorish, and some charm-

ing unfinished aketches which show a delicate side to Mon-

sieur Ducros.

Also at Manchester is a highly entertaining exhibition of 19th century wallpapers, A Decorating Art, which has been extended until February 15, Its strength, like that of the William Morris exhibition last year; is in relating Victorian art in its social background. It traces the steps by which scenic wallpaper changed from being a French luxury product, showing Cupid and Psyche and magnificent panoramic land-scapes by Ducros'a contem-poraries, in being a thriving British industry which filled every home with a cornucopia of pattern. Battles were fought between the tasteful and the vulgar, as cabbage-roses succeeded to Cupids, Gothic pinnacles to Art Nouveau lilies and arabesques.

Photographs and pattern-books recall the 1880s drawingroom, a jungle of motifs from the patterned carpet, up past the anaglypta dado, the in-filling the frieze, to the patterned paper on the ceiling.

One of the pleasures of the exhibition lies in tracing patterns which have recently found favour again, not least with the exhibition's sponsors, Osborne & Little, Crown, Marks & Spencer, and Colefax and

Janet Smith/The Place

Clement Crisp

"Accessibility" appears to nonsensical from start to finish, other bodies; one girl in the be the key to the work of Janet
Smith and ber small company.

Smith and ber small company.

The introduction to the proposed popular company bas cornered the market in vivacity; one chap enfeebled adaptations of popular and jazzy dance. Well-proposed popular and jazzy dance. gramme booklet claims that the troupe has this reputation, but it seems, if Tuesday night's hill Otis regretting to Facing the was anything to go by, that it music and dancing, but in the amounts to dancing down to its event this last was exactly the audience. If the ensemble aims issue which was avoided. to play pabulum to a mindless music was disregarded or given crowd, and thus make an art grazuitous dramatic twists accessible," then I would urge Jaoet Smith's Face the Music a rethinking of artistic strategy. was exceptionally tiresome Good dance need not be difficult. The hermetic and the recherche time of the Wall Street Crash the angry gestures and the minimalist activities that are so fashinnable with our post-modernists, are not to be causiered by the sart of thin and repetitious material which of a short London season.

ful and needy recipient.

A Midsummer Night's Dream

was chosen as the première production which left the

endearing but unfortunate impression that director Martin

auditorium.

- and the dance was dangerously the same.

Whether in Dan Wagoner's
Fice as n Bird (dance hall quaintnesses), or Miss Smith's Near and from Far thappy and was on view at this beginning sad duets to music entitled of a short London season. "Donkey Droppings" and With the exception of Gill "Cooking Oil"), the movement Clerke's Chaconne, which had a routine air. Partners looked like mimed Sbakespeere were changed; girls slumped in as Group Therapy and was the floor; bodies swung over

loved songs were sung and ness and clickes and the des-played, attractively, from Miss perately ingratiating air to the evening, is the underlying idea that these amiabilities are in some way an encouragement to the public to watch dancing. Missionary work need nol necessarily mean offering cheap trinkets and beads to the rinkers and beaus to the natives; serious and well-made chireography, dance as dance rather than as a joka and a snatch of tinsel tragedy, might even persuade people that there is more to it than maltreated gems from Irving Bartin Berlin 1 liked very much Pam

Knight's evocative New York backdrop for Face the Music; the costuming elsewhere was dispiriting. The musical per-formances under Nichnias Kok's direction were pleasing.

Simon Boccanegra/Covent Garden

Max Loppert



Renato Bruson and Kiri te Kanawa

transformed into Boccanegra (revival with Otello cast, conductor Edward Downes) when Placido Domingo's activities on bebalf

Domingo's activities on bebalf of Mexico interfered with the Otello rebearsal schedule. Thereafter, Mr Domingo was removed from the compaoy altogether by a double heraie operation, and what was presented nn Tuesday was a largely un-glittery Verdi "house show." With the exception of the replacement tenor, Giorgio Merighi (not beard bere for at least a decade), the same principals had given a Covent Garden Boccanegra under Mr Downes not long ago; targer disappointments were mollified disappointments were mollified by the security and sense of purpose that were evident in the execution of all these roles.

Other disappointments were mullified as well. This most un-showy and "Interior" of the greet Verdi operas may not respond ideally well to the working conditions of blg international opera company performance (on Glyndebourne's forthcoming festival collaboration between Haitink and Hall many hopes are pinned). And the dim sets, out-of-a-trunk costumes, and wretched lighting by which the 1980 Filippo Sanjust production is now repre-sented at Covent Garden must limit the possibility of the tutt'insieme—the collaboration of fine-honed theatrice) intelligences—which Verdi desired for the staging of all his operas. But there were a distinguished conductor in the pit, and a couple of commanding Verdi performers on stage. With their wonderful work is about came

since Tito Gobbi to whom the epithet longest.

powered by brass.

As was widely publicised, the "noble" is justly applied. He has Royal Opera'a long-awaited his limitations—a lack of sheer vocal grandeur to dominate the conductor Carlos Kleiber) was Council Chamber Scene, a lack of that indelinte impress of colour on words that makes Gohh's Doge live in the mind years after the experience of it. On Tuesday the death throes of the finale were just a little too graphic.

But be lives the role from inside. He has the gift of conveying innetiness, the misère des rois, without which the convulated plot becomes of reduced interest; in the taut line and supple shepe of his singing one senses a lean, mature, melaneboly intelligence mature, melancholy intelligence at work. Act 2 which, following on the great ensemble scene, can seem dull and protracted, was illuminated by these qualities; and in the final meeting with Robert Lloyd's superb Fiesco—his best Verdl role—both players were case of the deep seriousness of up in the deep seriousness of their performances, and shed a sombre glow on the wbole bouse.

Kiri te Kanawa's Meria-Amelia bas no longer that special innocent radiance that graced her eerliest London appearances in this opera (and nn Tuesday night the voice sounded often a little foggy or faint in its lower reaches), yet sbe left more than a trace of ber exquisite, unforced best — in, that calmed the opera's central ensemble to rest. Merighi's Adorno looked better than he mostly sounded — a disappointment, if not an insuperable obstacle. Jonathan Summers' familiar Paolo was sometimes powerful, sometimes merely melodramalic. With Mr Downes' control of the long Verdi line and his particular Boccanegra colours very much in evidence, the good things Renato Bruson is the first about this revival are what one

proscenium Festival. Robert Browning's soft good looks and relaxed Southern manner are appropriate for a young Ten-nessee Williams explaining the sad dilemma of the Wingfield family, while Joan Ulmer as his mother Amanda A similar drama is unfolding in Montgomery, Alabama, where Winton "Red" Blount, head of a world-wide billionsmoke machine bellowed out at the audience. In emulation of the shifts in period of the British repertory companies, Platt opened the play in an Edwardian setting but reverted to Faerie Queen tand for the forest scenes — hillowy gowns and headhand crowns an ethereal version of a cheer-leader's party. The two certifus: bis mother Amanda embodies good breeding in reduced circumstances. She has the right combination of pathetic eagerness to interest Brian Martin, as the gentleman caller, in ber dollar construction company, bas endowed the Alabama Shakespeare Festival with the newest, grandest, and perbaps best, theetre in America. With actors hired in New diffident and pouting daughter Laura (Patricia Boyette). York, the group is not exactly an amateur thespian club. Still, the 11-year-old company used to have a 10-week season in a rural Alabama bigh-school leader's party. The two settings were linked by a classical statue in Michael Stauffer's tset design) and Michael Orris Now the company faces the challenge of growing into its new home. Red Blount geve an extraordinary gift hut be demanded that others provide the operating funds. Martin Platt needs to invite world-class Watsoo'a (lighting) Edwardian world: the result merely illostrated the talents of the

costume shop.

The quality of the company's The quality of the company's directors if the Alahama acting is apparent in Russell Shakespeare Festival is to Treyz's production of The Glass become an internetionally-Menogerie in the smaller 225- recognised Shakespeare centre.

Alabama Shakespeare Festival

Frank Lipsius

In The Millionaire, an old American television drama, a stranger geve away a million opportunity to try out all the proscenium Festival. Robert new mechanical objects: Bottom watch the reaction of the grate-

middle of the stage and the smoke machine bellowed out at



Robert Browning in "The Glass Menagerie"

plete cycles of the symphonies

have been recorded on original

the first occasions that the old performing traditions have been challenged in the case of that glariously ambitious choral

It is true that this piece was

intended for liturgical use. But

work, the Missa Solemnis.

Claude Helffer/Wigmore Hall

Brahm'a F minor Piano Sonata is a bold, combative gesture. implying a cast-iron technique. The opening plunges the planist right into the thick of things with fistfuls of notes that cold fingers can so easily mis-place. Claude Helffer began thus at the Wigmore Hall on Tuesday night and unhappily proved his misplaced zeal within moments: chording that was often weefully inaccurate seemed even less acceptable when projected by such a harsh, unyielding tone.

It was altogether an extraordinary performance, even without the constant spice of wrong notes, Textures were in—

La cathédrale engloutie*

It sounded likely, this messive in size of the control of the sounded likely, this messive in size of the control of the sounded likely, this messive in size of the control of th

To begin a recital with verted, dynamics consistently generated a kind of sonorous strainer's F minor Piano Sonata strident, tempi either pedantic effect, though rubato at the ally slow or uncontrollably fast. climax was stubbornly inexpres-Often it seemed as if Mr Helfter sive, "La sérenade interron-found Brahams instrinsically pne," "Danse de Puck" and dull, and felt he had in try his "Minstrels" lacked any vestige hardest to liven things up, of bumour or textural light and Instead be rendered much of the sonata incomprehensible, tonal assault that characterised becoming becalmed in the the evening is ideally suited to scherzo's trio section and losing Xenakis'a piano writing, and The Victoria and Albert Museum all sense of direction in the certainly the two pieces which finale. I don't think I have beard a less satisfying account The percentage of errors was substantially reduced in a selection from Book 1 of

shade. But the uncompromising the evening is Ideally suited to closed the programme made a convincing impression. I cannot claim to know whether Helffer's account of Euryali was more accurate than his Brahms, but it sounded likely; this Mes-

for Japanese Gallery

Toshiba has given £350,000 to the Victoria and Albert Museum in London to help set

The gallery, to be called the

Toshiba donates funds

Missa Solemnis/Elizabeth Hall

Richard Fairman

Small-scale performances of positive evidence to the con- and articulate, niten over- approach should not be taken seethoven continue apace, trary: reports at the time men- powered by brass. too quickly, for after years of Beethoven continue apace. tion a chorus of 80 or 100 Rumour has it that two comin ooe letter Beethoven talks of baving a string section in the orchestra with 24 violins and 10 violas. instruments and sre awaiting release. But Tuesday night's concert by the Monteverdi Choir and Orchestra under John Eliot Gardiner is one of All this is far from the scale

of the Monteverdi Choir and Orchestra. On the orchestral side their numbers are about belf—14 violins, four violas— and for the choir rather less even than thet. As sound alone, this was quite unlike any other Missa Solemnis that we are used to-no aural fat, no swelling girth of middle textures, no

ceived in a simpler vein, alert from the other end. end articulate, at fast speeds The solo quartet w which bring it home ten minutes sooner than other energetic accounts usually do. The Credn theme does not convince (Beet-gave firm end decisive support theme does not convince (Beet-boven's speed indicates a surer, steadier declaration of faith than this); but the Benedictus was refreshingly unsentimental. Lovers of Klemperer and the nld style will assuredly find it

Altogether little remained of hearing this music under con-ne work's customary etmo-phere of deep feelings attained a romantic standpoint we now the work's customary etmo-sphere of deep feelings attained after a struggle. John Eliot Gerdiner's performence is con-customary etmo-a romantic standpoint we now have the opportunity to bear one who comes to it, as it were, The solo quartet wes led with

gave firm end decisive support as the mezzo. At Eliot Gerdiner's speeds the choir managed the difficult fugal writing with extraordinary clarity, a standard of execution there is little suggestion that ing girth of middle textures, no and style will assuredly find it clarity, a standard of execution Beethoven had a small number comfortable soft layer of anathema. But a decision on that the composer can be of performers in mind and some strings. Everything was bright the virtues and voices of this limagined only in his dreams. that the composer can bave

Saleroom/Antony Thorncroft

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FT/ 1711

up a gallery of Japanese craft and design.

Toshiba Gallery of Japanese Art, is to open in the autumn, lections outside Japan of Japan's Edo and Meiji periods (17th century to early 20th century). At present only 15 per cent of the collection is on dis-

Masic/Monday, Opera and Ballet/Tuesday, Theatre/ Wednesday, Exhibitions/Thursday, A selective guide to all the Arts appears each Friday.

Exhibitions PARK

Old and new: State acquisitions over the last five years. The 240 exhibits range from an Egyptian pleureuse dating from 1800 BC to contemporary artists and comprise paintings, sculpture, pieces of furniture and objects d'art. Among the chef-d'œuvres there is Vermeer's Astron-omer, Frans Hals' Jester Playing The Lute as well as works by Manet. Monet and Seurat Lucas Cranach's Melancholy comes from a provincial museum. Grand Palais. Enda Feb 3 (42603926)

Arts Guide

Galle: The first retrospective in France in honour or one of the most mportant artists of Art Nouveau who successfully explored the sinuous line in ceramics, glass and cahi-net making. Musée du Laxembourg, closed Mon, Thur late opening. Ends Feb 2 (42342595).

Disselderf, Kunsthalie Grabbeplatz Joel Shapiro: First stop for an exhi-bition covering 60 abstract sculp-tures and paintings by the Ameri-can artist in the last nine years. Ends In 19

Munich: Haus der Kunst, Prinzregen-tenstr. 1: Karl Spitzweg (1808-1885): 500 drawings and paintings with 70 cartoons from four artists, among them Daumier, Doré, Gavarni and Grandville, Ends Feb.

Berlin, Bauhaus-Archiv, Kingelhöferslerin, Bauhans-Archiv, Alogenmentrasse 14: Walter Gropius, "The Architect and Designer." An exhibition of paintings, constructions, designs and furniture by Gropius. Ends VIENNA

Venice: Museo Correr (Ala Napoleoni-ca): Folon: Over 206 works by the celebrated Belgian artist, among them 120 watercolours originally as illustrations to Apollinaire, Prevert, Boris Vian and others. A perverse but gentle painter with a seductive use of colour. Includes delightful watercolours of Venice. Ends Jan 19. Wilstr Paleszon Reale and Paleszon Re-Milan; Palazzo Reale and Palazzo Bagatti Valsecchi: Edvard Munch (1863-1944): A large retrospective show by the Norwegian forerunner of the expressionists. An extraordi-nary ennveyor of pain and anguish. Most of the paintings are from the Munch Moseum in Oslo. Until March 12

Rome: Palazzo Venezia: English Cari-cature, from Hagarth to Cruikshank". 114 engravings from the Sprovieri collection bearing witness to the extraordinary freedom of speech enjoyed in England in these years (1740-1840). Nobody is sparad: the Royal Family, the Government, the Church, the army or the aristocracy. The exhibition is sponsored by the British Council. Until Jan. 30.

Madrid, Repetitive Structures. 22 works by 21 artists nn loan from Ludwig Museum in Cologne, among them, Andre, Judd, Lewitt and Mor-ris engaged in the Minimal movement and Anny Warhol, Lichten

stein and Dine in the Pop Art. Inter-esting mix of styles and trends. Fundarion Juan March, Castello 77. Ends Feb til. Madrid, Enzo Cucchi. A selection of artist's drawings and paintings of the past 15 months. One of the top international plastic painters of the

deaux, New York and Paris. Funda-cion Caja de Pensiones, Serrano 80, Madrid. Ends Feb 2.

Kandinsky In Paris 1934-1944: An ex-

tensive collection of oil paintings, gouaches, watercolours and photographs from the last 10 years of Kandinsky's life, organised by the Guggenheim Museum, New York. It shows the culmination of his development as pioneer of abstract art, his earlier dramatic emberance giving way to a more refined style with softer pestels and monochrome co-lours, but the dynamism remains. In sections on Black Backgrounds and Concrete Art Kandinsky's works are hrilliantly complemented by those ol Klee, Mondrian, Arp, Miro and Picasso, showing his influence on a generation of European abstract artists. 20th Century Museum. Ends

George Grosz, The Berlin Years (1912-1933): A collection of carica-tures of life in Weimar Germany from the First World War to Nazism. Grosz, a committed socialist and celebrated draughtsman, produced ment figures from the church, the Government and the financial world who are portrayed as brutal, pom-pous and stupid, amid vaguely threatening scenes of urban decay. His images may shock but his stark and realistic style conveys a pow-erful impression of a turbulent period in Germany's history. At the Twentieth Century Museum until

NEW YORK

1980s. This show goes on to Bor- Guggenheim Museum: 55 major sculp-

Jan 10-16

ra, among other movements past 40 years. Ends Feb 16.

past 40 years. Ends Feb 16.
Pierpont Morgan Library: 200 British photographs from the Victoria & Albert Museum cover Fox Talbot to Julia Margaret Cameron and Lewis Carroll among the earliest practitiners in the years from 1839 to 1960. 38th St & Madison Av. Ends Feb 2.

Feb 2. Metropolitan Museum: Liechtenstein, the Princely Collection, use of the greatest private collections in Eu-

rope, shows a variety of the holdings, like a French Rococo carriage, firearms, sculpture and a hundred paintings, including 19 Rubens, 5 Van Dycks, and 8 Franceschinis.

WASHINGTON

National Gallery: The Treasure Houses of Britain collects 700 ob

jects from 200 stately homes in a

show mounted and decorated to

look like the quintessential stately home, with paintings by Holbein,

Rubers. Van Dyck, Hogarth and Turner among many others, as well as Chippendale furniture, Meissen

and Sevres porcelain and tapestry

jewellery and armour. Ends Mar 9.

works of New Zealand Maori artists

show the mixture of religious, sym-bolic and artistic traditions in feath-

onal Museum of American Art: 73

Ends May 1.

Corner of classicism tors of the 20th century, including Giacometti, Nevelson, and Jahns are part of the theme Transforma-tions In Sculpture, meant to cover pop art, minimalism and Arte Pove

But, in the main, these are dull days which allow Sotheby's and Christie's to reveal the better side of their natures by offering their premises for charitable exhibitions. Christie's was host to the Contemporary Arts Society, and Sotheby's has currently a good show of marine art and artifacts, in aid of the RNLL.

And now, in its tiny Kiddell attractive aelect group of classical antiquities on loan from British private collections. The proceeds from the catalogue will go towards fund-ing the Ashmole Archive, a helmets of the 6th century BC. collection housed at King's striking evidence of the small College, London, of more than 10,000 photographs of ancient sculpture assembled by Prof Bernard Asbmole, one of the

of this century.
The exhibition looks like the er capes, ceramic vessels, carved classical museum of a great and painted gourds and woven hangings using native materials.

Ends March 9. Renwick Gallery.

public school, which is appropriate since many of the objects borrowed come from Eton and

The salerooms are slowly Harrow, Winchester and recovering from their mid-Charterhouse, revealing just winter break. Henry Spencer what treasures these schools & Sons in Retford sold an contain, Most interesting is a interesting item this week — Cycladic terracotta kernos, of one of the 150 silver race around 2250 BC, from Eton. It ticketa issued in 1777 to finance is supposed that this vessel, a new grandstand at Doncaster with its two concentric rings of and which allowed the holder free admission in perpetuity. It mede £750. elaborate known.

With less than 70 objects the exhibition underlines just bow familiar, and how strange, the classical world is to us. The marble busts are instantly acceptable and come from the great collections amassed by British aristocrats at the time of the Grand Tour-from Holkham and Petworth and Chatsworth. But what are we to make of a Gallery, Sotheby's has on giant porphyry foot, from New-display until January 31 a most castle University—not a broken castle University—not a broken limb from a massive statue but created as a foot, to be worshipped by a cult.

striking evidence of the small statue (and heads) of classical men; an Attic vase which depicts a young girl taking off ber red boots before bathing in leading British classical scholars a vessel the size of an entrée dish; and a large marble ship. 129cm long, which gives an accurate portrayal of a Roman vessel or around 100AD; and was perhaps designed as a

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as follows:

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professional advisors.

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two to drive/propel the Group inrough its current and most exchange phase of expansion.

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high level of activity has made an impact. We now look to gearing up in the next few years.

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Finance Director

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GROUP FINANCIAL CONTROLLER

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FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4P 48Y Telegrams: Finantimo, London PS4. Telex; 8954871 Telephone: 01-248 8000

Thursday January 16 1986

A sum less than its parts

deocy with public spending to believe that it is the big plcture rather than the fine print below the ratio of 43 per cent that matters. By this criterion, inherited in 1978-79. that matters. By this criterion, this year's White Paper, which is thicker and apparently more informative than ever, will generate little interest in British financial markets. The big pic-ture, after all, is alreedy known: in last year's Autumn Statement, the Chancellor broke with tradition and announced the public spending planning totals for the next three financial

A broad assessment of the credibility of the overall spend-ing totals and of the scope for tax cuts within the context of the medium term strategy has already been made by the market. By and large the assessment has been unfavourable although perhaps not as dame. although perhaps not as damn-ing as the reaction to the 1985 White Paper. There is continuing concern in the City about the extent to which the expanded privatisation programme bas disguised a relaxation of departmental spending limits— yesterday'e paper confirms that in cash terms expenditure will be £2.8bn higher in 1986-87 than planned last year.

Slippage

The big picture for public spending is mit particularly in-spiring. For the umpteenth time the Government is saying it can stabilise public spending in real terms. Yet it continues to rely terms. Yet it continues to rely on unrealistic assumptions—for example that social security benefits can be reduced in real terms next year and held steady thereafter. Tha outlook is for immediate slippage: after ad-justment for the miners' strike (which affected spending this each) and priestication public year) and privatisation, public spending can be beld steady in 1 per cent in real terms in the coming financial year.

The best guess must be that public spending will continue to grow in real terms desplte provatisation) as a proportion of GDP may not fall significantly

The failure to halt the public spending juggernant has had a number of interesting con-sequences. The big tax cuts once regarded by Thatcherites es the key to improvements in supply-side efficiency have been stponed. Ministerial attitudes postponed. Ministerial attitudes have edjusted: public spending is no longer regarded automatically as a bad thing—credit is taken for real increases in the health and region security budgets. But persocial security budgets. But per-haps most significant, attention

This change is to be wel-comed. The composition of publie spending is arguably a good deal more important than the overall total: there is nothing inherently wrong with public spending absorbing 45 per cent of GDP provided each element of expenditure has a convincing microeconomic rationale. In-deed, a compositional analysis of spending trends makes the Government's inability to bold down the total easier to understand: much of the increase merely reflects higher transfers

merely reflects higher transfers to the personal sector through social security payments rather than bigher public spending on goods and services.

Yesterday Mr John Mac-Gregor, the Chief Secretary, was paying commendable ettention to detail, citing the increased value for money echieved in defence and the bealth service. It remains to bealth service. It remains to be seen whether the planned compositional shifts can be achieved: for example, the planned real contraction of the defence budget may prove elusive. What is certain, bowever, is that shifts in resources between departments and activities need to be rationally plantestations to the contrary but perheps at a slower rate than in the past five years, reflecting the stabilisation of unemployment. This means that even if the Thetcher Government runs the its full term will a mendal stabilisation of the stabilisation of the made necessary to prevent an embarrassing overshoot of the agreed expert all pluming total. to its full term, public spend- agreed overall planning total

Open standards in computing

ture is to be connected together simply and economically, might seem of intrinsic interest only engineers and computer

Yet they are crucial to the development of the inform-etion technology industry worldwide; this point will be underlined in two weeks' time when 18 nf the leading US computer manufacturers meet to establish a "corporation for open systems," adding their weight to e campaign for international intercoonection stan-

their European counterparts.

It is also supported by European governments. Mr Leon Brittan, Trade and Industry Secretary, last week reiterated the UK Government's belief that the international standards now being creeted are a pre-requisite for progress and for healthy competition in the information technology business. But while it is impossible to find anybody who disagrees that open systems are anything hut a good thing, peogress towards their universal imple-

with each other, every detail of would have a slight advantage the connection programme when OSI-based equipment was must be exactly right from the attached to its central comphysical size of the connecting puters.

So on technical grounds which bandles the messages transmitted. For the various officiel standards bodies to secure egreement from all the secure egreement from all the interested manufecturers to these detalled technical proposals is time-consuming; the present moves to establish an international standard, known as Open Systems Interconnection or OSI, began in 1974. Of the seven separate sections of the standard, only four bave so far been defined completely.

The picture is complicated by the fact that while all the major manufacturers have developed their proprietary interconnection standards to a greater or lesser extent on OSI principles, IBM, the world's dominant computer manufacturer, has a powerful commitment to its own networking rules which it calls Systems Network Architecture, or SNA.

It began building SNA before OSI was initiated and it now

THE DESIGN rules which clee- itself, is a considerable techniequipment of different manufacture to communicate successfully, SNA is designed to man-

(that is, of IBM) design.

IBM is so powerful in data processing worldwide there are fears that it could establish SNA as e de facto standard. That would be had; competitors would always be at a significant disadvantage in designing equipment which had to meet IBM's interconnection rules. There is good, however, in the dards elready championed by fact that European and now their European counterparts.

It is also supported by Eurosought safety in numbers, chandoned their own proprietary interconnection rules and put their weight behind OSL

Gateways

IBM to its credit, bas played its part in the e tablishment and development of OSI standards. It argues that it is committed to OSI as a force for good in the industry. But it will not ebandon its investment in SNA: hut a good thing, peogress towards their universal implementation in computing has proved difficult.

Complicated

To allow computers of different origin to communicate with each other, every detail of would have a slight advantage.

So on technical grounds alone the government was right in 1984 to turn down the pro-posed IBM/British Telecom managed data network which would have been based on SNA

tecture. or SNA.

It began building SNA before
OSI was initiated and it now has many customers with successfully interconnected computer systems running under the SNA rules. That, in

NEW era in the way the US Government sets its budget priorities opened yesterday not with a bang but

with an ominous tremor.

Washington's two main budget agencies, the White House Office of Management and Budget (OMB) and The Congressional Budget Office (CBO) joined together for the first time as required by The Balanced Budget and Emergency Deficit Control Act of 1985, and formally projected that the 1985 Federal budget deficit this year would rise to a record \$220bn.

With the release of the report

With the release of the report the clock began ticking for the implementation of automatic cuts, the so-called "sequester-ing" of government spending, which the Gramm-Rudmanto try to force the elimination of the budget deficit by 1991. On January 20, the day

On January 20, the day before Congress reconvenes after its Christmas holiday, the General Accounting Office (GAO), exercising a power which is already being challenged in Federal court as unconstitutional, must report to the President telling him to prepare to issue the sequestra-tion order for 1986 since the deficit is well above the legal target.
At that point unsuspecting

Congressmen "are finally going to be hit on the side of the head with a two-by-four." says a budget expert on Capitol Hill discussing the implications of the train of events set in motion yesterday. One of the first things the new spending law will require, he suggests, is a \$1bn cut from the Farm Bill which congress has just approved.
But if this is the beginning of the Gramm-Rudman era, it is nothing in comparison with what could lie ahead if the law survives the forthcoming tests in the courts and in

"Its not even a warm-up." says another Capitol Hill budget watcher. He points out that for 1986 the budget law also perversely limits to \$11.7bn cuts in the projected \$982bn Federal budget. For fiscal year 1987, when the deficit target drops to \$144bn, the automatic spending cuts could be as high as \$75bn, it they are triggered.

Moreover, because the law says that large parts of the budget ranging from social security and interest on the national debt to some spending programmes for the poor, must White House's failure to give not be touched, the automatic more weight to their electoral programmes for the poor, must not be touched, the automatic spending reductions must be made in areas accounting for barely one quarter (in 1986 \$281bn) of projected outlays.

The law also requires that cuts are made equally between are made equally between defence and non-defence areas.

The law also requires that cuts are made equally between the reduction of waste and fraud so fondly propagated by the need to defence and non-defence areas. Indeed, many of those who becked the Bill did so on the grounds that it was precisely this threat of antomatic actions

which would corner President Reagan and Congress, driving them to a political compromise which would begin to resolve the deficit issue. To make doubly sure they built into the law a second political fuse, the automatic spending cuts for 1987. These are timed to explode on October 1, the beginning of the new fiscal yeer and only five

tronic system suppliers must cal achievement. OSI and SNA retaining control of the Senate. Congress next month suggest follow, if computing equipment were designed for different purposes. OSI is designed to allow Ornstein, a respected political time of Mr Response list of scientist at the American Enter priorities. He appears bent on prise Institute, "Congress and adopting his traditional tough the President bave handcuffed negotiating stance.

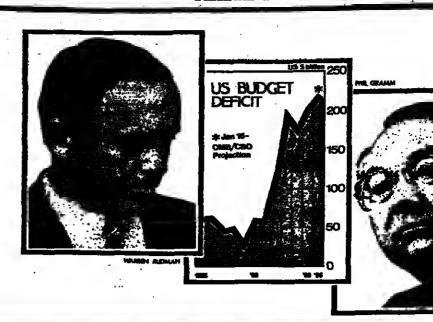
themselves to one another and The White House has said age interchange of information themselves to one another and between computers of similar (that is, of IBM) design.

IBM is so powerful in data on a plump mattress or a bed Gramm-Rudman target for 1987. of nails." That would mean that, in the

The Gramm—Rudman law

Clock ticks on the **US** deficit

By Stewart Fleming in Washington



It is no wonder that there unlikely event Congress were is a palphile sense of nervous to endorse his strategy for anticipation in Washington as achieving this goal, there the Gramm-Rudman era dawns. would be no need for massive Those planning legislation in any field must ask themselves whether they should proceed on the assumption that Gramm-Rudman will continue to func-Rushman will continue to func-tion or whether the Supreme Court will ultimately upbold the challenge to the consti-tutionality of the sequestering process. If it survives the legal challenge, will Congress and the President really allow draconian automatic spending cuts in October?
The economic implications

for policy makers in the US and abroad who see the resoand another who get deficit as a key to more stable growth, and for the financial markets, are just as abscure. Is peogress on the deficit just around the corner? If not, the markets can be expected to react badly to signs that this perhaps lastditch effort to tackle the budget issue in a crisis-free atmos-phere, is failing.

There is widespread agree-ent that Gramm-Rudman ment marks a change in the chemistry of the budget deficit debate. Senate Republicans in particular were worried to the point of what Mr Ornstein calls near panic over the danger of an economic npheaval ahead of this year's congressional elec-tions and frustrated at the

debate the past spending and taxing decisions the deficit But whn will best be able to exploit this debate to his own

political edvantage? Can the President use the threat of Gramm-Rudman to blackmail Congress into endorsing his political priorities—a continued defence build-up, no tax increases and heavy cuts in other government programmes? Or will be pursue a compro-mise, perhaps seeking to pro-tect defence spending by tect defence spending by conceding a tax increase? There are several straws in the wind. weeks before mid-term congressional elections which could dash Republican bopes of the President will send to

antomatic spending cuts to be unleashed in October. Mr Reagan, at least in his opening gambit, plans to stay true to his political agenda in aiming et this target. He will propose a further 3 per cent real increase above the

\$302.5bn provisionally agreed for 1986 in defeace spending authority and he is still saying there will be no tax increases. How will he do it? Partly with the usual manipulation of the the usual mampulation of the economic assumptions in the budget forecasts, partly by re-submitting hudget programme eliminations Congress has already rejected, reforms in other Federal spending schemes and, a new element, the sale of some Federal assets to raise as much as \$120pm... Research

much as \$12bn-2 Reagan privatisation peogramme.

THE Budget Reform Bill now

known as Gramm-Rudman had, in fact, three sponsors:

Senator Phil Gramm, a former

conservative southern Demo-crat who was elected to the

Senate as a Republican for Texas; Senator Warren Rud-

man (Republican, New Hamp-shire); and Ernest Hollings,

an influential Democrat (South Carolina) who ran for the party's presidential

The bill was proposed on October 3 last year, tied to

essential legislation to raise the Federal debt ceiling to

permit the Government to

carry on financing the budget.

progress through Congress,

the Democrais secured an

important victory when the

House approved amendments

protecting programmes for the poor from automatic

spending cuts.
As signed into law on

December 12, the bill sets a

legal target for the deficit of \$171.9bn in 1986 but approves

a conflicting requirement to limit automatic spending cuts

Between 1987 and the 1991

fiscal year the deficit target falls steadily from \$144bn to

zero. This is the timetable for

this year.

February 3: President

submits budget to Congress.

• March 1: Deadline for

During the bill's tertueus

nomination in 1984.

an unresolved hudget problem to try again to bludgeon Con-gress imo making the Federal Government smaller.

Government smaller.

It is a worrying prospect to Senate Republicans who fully expect to have to take the lead again, as they did last year, in drawing up the first Congressional budget plan. They will watch carefully for signs of flexibility, for olive hranches, in the President's state of the union message on January 28. in the President's state of the union message on January 28, if they spot a willingness to compromise, some officials are already suggesting that the Senate Republicans will once again start pushing a plan complete the start pushing a plan comp hining cuts in defence spending increases in taxes (an oil tax is one possibility) and some cuts in those domestic spending programmes cherishes. the President

They expect little public support from many bouse Democrats who, it seems, are In other words it seems he ready to watch what happens plans to continue the high risk as they did last year, comstretegy of using the threat of forted by the knowledge that

\$11.7hn automatic spending

· April 1: The two congres-

sional budget committees are

scheduled to report their own

concurrent budget resolution. Congressional action on the resolution to be completed by

• By June 30 the House is

supposed to complete action on annual appropriation bills.

August 15: OMB and CBO

will take their "mapshot" of the economy and project a fiscal deficit for 1987.

August 20: OMB and CBO will submit their report to the GAO indicating, if the deficit target is not met in

the budget congress has approved, what automatic cuts will be needed if there

is no further congressional

• August 25: GAO issues report to the President on the

automatic spending cuts needed to reach mandated

• September 1: Sequestration

order calling for automatic spending cuts is issued based on GAO report. Congress can premare additional cuts

to avoid part or all of the sequestration.

October 1: Fiscal year

October 15: Final order

issued aimed at getting deficit down to the Gramm-Rudman

deficit target.

THE TIMETABLE

April 15.

major poverty peogrammes, they have created the appearance of protecting a core con-

be a casualty of such e stale-

Another is the sheer impracticality of that process on the scale Gramm-Rudman envisages. "We won't do it," says e White House official on the threat of massive sequestration in October, The President, says e Republican Congressional budget official, will announce that be cannot in good con-science as Commander in Chief support or carry ont that kind of cut (in US defences). A House Democret adds: "It is too dreconian to be practical." Indeed, be argues that precisely because it is so draconian, and therefore an empty threat,

In trying to assess how the jockeying for political advantage will progress, some observers argue that a popular President with a cohesiva administration and ready access to the media and ready access to the media: could whip Congress numercifully for exposing the Republic to the threat of massive sequestration. But Mr Reagan is not perceived to be strong enough to impose his priorities on Congress, not least because the Administration has been frequently on the defensive on policy issues such as protection-

by ensuring that Gramm-Rud-man cannot attack several

If the President does not show signs of e willingness to com-promise then there are fears that a protracted stalemate will result. That would be e recipe for continuing tension and deepening distrust hetween the White House and Senate Republicans, a peospect Democrets savour. Mr Reagan's tax reform initiative, which is before the Senate Finance Committee having cleared the House, could

mate,
In theory such e course of events would end up triggering huge antomatic spending cuts in October. The legal challenge to the constitutionality of Gramm-Rudman based in part on the way it allegedly mixes executive end legislative powers through the roles given to the CBO, OMB and GAO, is a big uncerteinty surrounding the likelihood that sequestering will indeed come into effect.

Another is the shear

the budget law does not force compormise, but ensures a stalemate

policy issues such as protection-ism, South Africa and tax reform since the upheavals in the White House staff last year.

efforts to block this process on constitutional grounds.

Moreover, even some Administration officials concede that the forthcoming presiden-tial hudget looks politically unrealistic. It is evident from the cuts Mr Reagan had to accept from Congress in his defence proposal last year that the President is already on the retreat on defence epending.

Amid so much uncertainty it is not at ell surprising that economists are unwilling to place bets on the impact the law will have on the economy. There is also a question about what im-pact the performance of the economy will have on the way the budget debate evolves. If the economy shows continned resiliance nearer the mid-term elections, for example,

pressures for action on the deficit could weaken. One thing the law does provide for, how-ever, is the suspension of Gramm-Rudman if a recession is predicted by the OMB and To the extent that Gramm-

Rudman has been seen as a sign of positive intent by Congress on the budget deficit and has contributed to the decline in interest rates, the rise in share prices and therefore individuals' wealth, its economic impact is positive. But sentiment in the financial

markets will continue to be influenced by the evolving de-bate. Failure to make progress on the deficit, particularly by late summer as sequestration for 1987 looms, could provide some anxious moments on Wall

The Reagan Administration has been taking a much more optimistic line. It is telling its optimistic line. It is telling its major industrial partners that the passage of the law represents the progress the US promised on its budget deficit at the meeting of the Group of Five industrial countries in New York in September. The corollary is that the other G5 countries should make good their neconists to seek faster econopcomises to seek faster economic growth.

But the Europeens have re-acted cautiously, some sceptically. So too it seems has the Federal Reserve. While welcoming Gramm-Rudman, the Fed significantly passed up an opportunity to underline its confidence when it declined to cut its discount rate in the wake of the law's passage last month. As an expression of congres-sional concern over the deficit There are even signs that the white House thinks It toomed. But meny fear that good intentions will not be enough budget reform last year. President Reagan has himself publicly discounsed the sequestration process and the Justice dant Reagan to sacrifice some of Department is supporting sional concern over the deficit the budget law is widely welcomed. But meny fear that good intentions will not be enough and that the missing ingredient for a budget breakthrough remains a willingness by President Reagan to sacrifice some of his political goals.

Black horse for Bootle

Lloyds Bank may not have acquired e whole firm of stockbrokers for its foray into the new world of securities trading. hut in Roger Bootle, it has recruited one of the better known economists in the broking fraternity.

Oxford. But he also worked for a time as a money market dealer with Citibank, and suggests thet a combination of this experiance with academic economics should prove a potent one.

Those with a more cynical view of the City's future reckon that with 29 market makers lining up for a gilts market pre-viously dominated by two, Bootle's knowledge of borsecould be even

High Grade

If Sam Goldwyn were still alive he'd be spinning in his grave. During enquiries into the busi-

Men and Matters

Bootle, 33, is the become chief economist of Lloyds Merchant Bank. He will be paying particular attention to the gilts market, where Lloyds is to be one of that new primary market makers. He will, therefore, be working separately from Lloyds' economic adviser, Christopher of this on to him. He is going to pass this on to him. He is going to pass this on to him. He is going to be anyone else but Lew Grade."

Bootle has made a name as one of the anthorties on indexlinked gilts, and for being one of the few stockbroking economists to give his political loyalites to the SDP/Liberal Alliance.

Before his spell at Capelbard Alliance.

Before his spel



it just seems like it."

known economists in the broking fraternity.

Much to the chagrin of Capel-Cure Myers, his employers for the past four and a half years, Bootle, 33, is to become chief economist of Lloyds Mercbant.

Asarco — "the Sam Goldwyn trails's financial Establishment.

Asarco — "the Sam Goldwyn trails's financial Establishment.

Asarco — "the Sam Goldwyn trails's financial Establishment.

Lord Grade himself is philosophical about the comparison with Hollywood's past master.

The reception coincided with the news that the first pro-gramme of the new series attracted an andience of 13.9m —even more, I should imagine, than bave been tuning in to the real life No. Prime Minister drama starring Michael Heseltine and Leon Brittan.

Change pending

Philip Cooper, comptroller, general of the Patent Office, alipped into his joh almost unnoticed two weeks ago hut is likely to adopt a much higher hrings this comment from a likely to adopt a much higher hrings this comment from a likely to adopt a much higher hrings this comment from a likely to adopt a much higher hrings this comment from a Hampshire reader. "The cream of society is recognised by its the office — established in 1852 but with antecedents dating back to Tudor times — is to become independent of the Department of Trade and Industry has already met with union protests and has yet to be debated

Observer tests and has yet to be debated

is that the office should in future pay its way. No longer will it mainly be a repository of inventions and inventors, trade marks and designs; instead, it will be expected to charge fees for a whole range

charge fees for a whole range of new services.

In particular, it is likely to expand its potential as an information exchange. Lone, would-be ploneers as well as the R&D departments of major multinationals will be better able to check before going public with their ideas that they are not barking np someone else's tree.

Conner a lang-time DTI man.

Cooper, a long-time DTI man, is e scientist who was pre-viously director of the depart-ment's Warren Spring labora-tory in Stevenage, itself once a candidata for privatisation. He has also had experience in the DTI's finance and economic appraisal section and will bring this knowledge to bear on the patent office's search for new custom and funds.

Cash in hand

Trafalgar House chairman, Sir Nigel Broackes, despite his pre-occupation with one of the Channel fixed-link projects, assured a shareholder at yesterassured a shareholder at yester-day's annual meeting that the company's £167m cash was tucked away in a safa place. "It's not in a sack, it's not in a sock," he drawled. "It's in the bank."

Bread lines

in the Commons. The Government's intention SHOW US A DEAL-WE'LL SHOW YOU A

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ECONOMIC VIEWPOINT

No longer crying wolf

By Samuel Brittan

THE GROUP of Five Finance Ministers are meeting in London this weekend at a time wheo it is no longer fashionable to "cry wolf" about the world economy, whalever parochial political problems may exist in January 2, to reach its peak in the course of 1986 and then sometimes of the mark and the yen. The US merchaodised trade defickt is internal demand in the lead, without constact Government without constact Government without constact Government produing.

The important exceptions are provided by shocks and policy erors; e.g. when an excessive boom has put pressure on capable to the fall in the dollar has been not so much the very

trol, since the New York meeting in the Plaza on September 22 last year. The US no longar centage point as a proportian practises or prescribes benign neglect either of the dollar or its payments or hudget

growth and inflation control in reduction. most countries. The world is— touch wood—living with the less developed country debt

Moreover, despite the refusal of European and Japanese Governments to undertake "coordinated fiscal reflation," their growth echievements and prospects—although not enough to break the back of the stag-

break the back of the stag-fizion problem—suggest at least continuing recovery.

It would be too good to be true to suggest that the main international worries are the impact of oil and UK wages on sterling, or the confidence effects of the Thatcher-Heseltine saga.

My view is that it is jost when the alarmists bave subsided that one should look for signs of trouble; and—rest assured—this article will not conclude without its fair quota

But first one should examine why the cries of "wolf" beve why the cries or "woir" beve so far proved wrong, As far as the OECD countries are concerned, the now discredited diagnosis of "fading recovery"

rested on two pillars. One was a view that the US recovery would fade away, whether because of a change in fiscal policy, the effects of dollar over-valuation, or simply

because the recovery was bistorically "old." The second pillar was the view that the greater part of European growth was based on a stimulus from the US; and once that faded, it would be difficult to see where the growth woold come from unless countries outside the US applied a fiscal stimulus.

The US bodget deficit, both centage point as a proportian practises or prescribes benign of GNP in 1986. Looking furnities payments or hudget lefficits.

The falling trend of oil stacles, likely to put the US on wrices is beneficial both to the path of long-term deficit rowth and inflation control in reduction.

city, when wages or commodity price shocks have stimulated in-flation, or when too-easy money has led to an inventory build-np, followed by destocking. (Some of these examples would make e Friedmanite monetarist's hair stand on end.)

It is arguable that fiscal tight-ening to reduce structural hud-get deficits in Europe can be re-Modestly satisfactory though or as a "shock" with demand-these developments are from reducing effects. If so, it is

E	stimates and forecas	sts	
	% change 1984	1985	1986
Real GNP			
US	6.8	21	21
Japan	5.8	5	31
Germany	2.7	21	31
OECD Europe	2.4	21	21
Total OECD	4.9	2}	21
	Source: OECO Economic	Ouzlook, Decer	nber 1985

OECD GROWTH

Yet the latest OECD esti- direction.
wates and forecasts do not This is show any sign of fading world

recovery. Some reasons for the discom-fiture of the alarmists were did reveal the development of to anyone following the US post-Keynesian thinking amang scene.) Treasury strategists.

The speech challenged the relevance of the question: "Where will the growth come from now?" It maintained that if "responsible" financial policies were followed in major countries, there would be plenty of self-sustaining pressures for

the US point of view, they comforting that deficit redocmean that little remaining tion outside the US has almost stimulus can be expected run its course, and little furcither from the US trade or ther contractionary pressure is to be expected from that

This is not the place to discuss exact interpretations of the "responsible" financial policies which loom so large in the New Treasury View. But I would supplement it by the Kudlow downtone (Lawrence set out in a speech by the British Chencellor to the Foreign Bankers' Association on December 5, to which little to December

According to Kudlow, conven-tional forecasters badly neglect the effects of "financial asset revaluation" on both consumer spending and investment. By this be means the large stock and bond market rallies, both in the US and elsewhere, which have greatly boosted financial

productive capacity, with some-from the way it has shied away to times external and sometimes from a cut in the discount rate. in

been not so much the very moderate US exchange market intervention. More relevant is its holding of the federal funds rate within spitting distance of 8 per cent, despite an over-shoot of both the original 1985 mooatary ranges and the rebased ranges introduced in

It is this alement of Fed stimulus behind the US upturn and dollar decline that leads us to the first worry about the world economy. As Stephen Marris rightly says on the first page of his indispensable Deficits and the Dullar (Institute for International Economics, Washington, 1985); the phanomenal rise in the dollar from 1980 to 1985 was due to from 1980 to 1985 was due to "a strong rise in investment demand relative to domestic savings in the US, largely hecause of a massive increase in the structural budget deficit" at a time when there were ampla excessive savings in the rest of the world.

A cure for the US imhalance, as Marris says, requires both a sharp cut in the US budget deficit and (in his view) a still greater decline in the dollar. If the dollar falls without a fficient decline in the budget deficit, two unpleasing possi-bilities appear. One is a very sharp rise in US interest rates

sufficient to choke off the sur-plus of domestic investment over savings. The other is an increase in the inflation rate which would make the dollar depreciation partly nominal rather than real. (Kudlow expects 5 to 6 per cent US inflation by year end in any Even if the optimists are

right about the US budget deficit, it still may not fall fast anough to prevent some un-pleasant combination of the above possibilities. None of this means that Mr Paul Voicker, the Fed chairman,

difficult to see where the growth woold come from unless countries outside the US applied a fiscal stimulus.

The reality has been very different. Taking as a hase the average of the last quarter of 1964 and the first quarer of 1965, the dollar has fallen by

decouple interest rates from American ones and perbaps even engage in the multilateral interest rate disarmament the Japanese Prime Minister advocates.

But this is certainly not feasible now when US and Group of Five fears are equally balanced between concern about a possible free fall in the dollar and concern to prevent an undesirable rebound to earlier levels.

Marris (and Volcker too) would like fiscal stimulation outside the US, led by Japan and Germany, to take some of the pressure off the US balance the pressure off the US balance of payments as well as underpinning world growth. But Marris admits that, had other countries followed the US lead in deficit finance in 1981-85, it would have led quite soon to a worldwide inflationary boom—although many economists were urging such a course, even while the structural budget deficit in the US was still rising. My own judgment is that there is a strong enough case for some tamporary Jepanese and German fiscal relaxation, if the two Governments desire it, hut not such a strong case as to justify other countries trying to impose it on them.

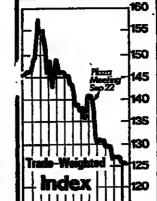
impose it on them.

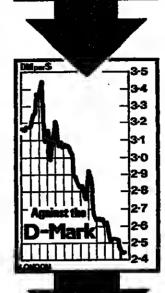
In the long run—in which most of us are still alive—large worldwide hudget deficits mean lower savings and less growth. The eventual destination for excess Japanese savings should lie neither in the US, nor in domestic public works forced upon Japan by the Group of Five but in newly Industrialised countries, especially in the Pacific hasin. Pacific hasin.

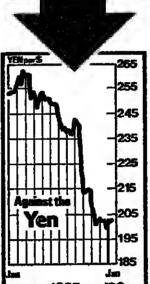
Finally, there is a great opportunity, which could prove a landmine if mishaudled: namely the possibility of a really sharp fall in the oil price. On most economic models an oil price fall of 20 per cent would reduce inflation by 1 to 1½ per cent per annum on impact, and raise growth by over ½ per cent in the whole OECD area, with some possibility of a virtuous circle if governments maintain growth of nominal demand.

But, of coorse, there will be many casualties among countries, companies and banks involved in oil production; and the art of policy will be to prevent these casualties from contaminating the world financial system while not discourage ing the highly desirable break-up of the Opec cartel.

DOLLAR







SOVIET FOREIGN POLICY

Moscow's new self-confidence

BY PATRICK COCKBURN

the US Star Wars programme which Moscow wants to ball. Soviet spokesman and Press hlame the hleak prospects for progress on sabotage by the right wing in Washington, notably by Mr Caspar Wein-

Geneva summit is the Soviet Union's assertion of visible equality with the US in the Middle East and Asia in e way not seen u n der President Brezhnev. The Communist Party daily Pravda says, on the contrary, that the only real change internationally is a more interventionist US foreign policy which it terms "oew policy which it terms "oew glubalism." It described this last week as a new "assertion of the US right to interver a global scale in the affairs of sovereign states, wage unde-clared wars and covert and overt subversion against them."

Surprise

Yet the higgest surprise in yet the niggest surprise in the Libyan crists, so far is not President Reagan's dispatch of the Sixth Fleet to sail off the Libyan coastline or his economic blockade but the strength of the Soviet reaction, significantly stronger than in 1981 when two Libyan jets were shot down by US aircraft.

were shot down by US aircraft.

Nor is this the only sign that the Soviet Union is actively reantering Middle East politics in a way not seen sinre President Sadat of Egypt switched alliances from Moscow to Washington in 1974. Later next month Mr Gorbachev will try to reconcile Mr Yassir Arafat, chairman of the Palestine Liberation Organisation, and President Assad of Syria, two of its key allies in the Middle East, whan they pay separate East, whan they pay separate visits to Moscow. Soviet Far East policy is also

being conducted with more vigour this week. Mr Eduard this may turn out to be as Shevardnadze, Soviet Foreign destabilising as the expansion

THE SOVIET UNION and the years. Mr Gromyko visitations in Geneva today with no expectation of an immediate breakthrough on the limitation of nuclear arsenals or nadze and the Chinese foreign minister. minister The extent of the change in

Soviet foreign policy is masked by exaggerations of its past vigour. President Reagan spent much of his first four years in notably by Mr Caspar Weinherger, Defence Secretary, whom they see as a sworn enemy of better relations between the super powers.

But the most significant change in the foreign policy of the super powers since the Geneva summit is the Soviet world from the mid-1970s on as Union's assertion of visible a leadership crisis paralysed the Kremlin. Its foreign policy was progressively confined to a narrow focus on relations with Washington.

Eviction

By the early 1980s the effects of this were evident around the world. Angola, Ethiopia and Afghanistan did not quite compensate for eviction from Egypt. When Israel invaded Egypt. When Israel invaded Lebanon in 1982 it was item number three on Moscow redio news. The following year Soviet television showed a large picture of the Spanish City of Granada when the US invaded the Carlhbean island of Grenada.

The military parity Moscow bad achieved with the deploy-ment of ICBMs in the lata 1960s was difficult to translate into political power. The almost daily refrain of the old Soviet laadership that they bad achieved political parity with the US revealed an inner lack of assurance. It contrasts with the confidence of their suc-cessors in the Soviet Union's position as a super power and their right to visible equality with the US in world affairs, Behind the flurry of visits by

Mr Gorbachev and Mr Sbevardnadze to foreign capitals lies this new assertion of political parity by the Soviet Union. It also implies a certain shift in the balance of power in the world. The consequences of Minister, started a five-day of nuclear arsenals which US visit to Japan, the first by a and Soviet negotiators in Soviet foreign minister for 10 Geneva are seeking to limit.

foreign leaders to Moscow and

Inquiry into Llovd's

Sir.—Unless Mr Brittan's inquiry into Lloyd's headed by Sir Patrick Neill (January 15) has the right members and terms of reference it could just look like a way of avoiding discussion about the market during the passage of the Financial Services Bill.

The inquiry team should not be mainly composed of Lloyd's members or people deriving fees from the market. The terms of reference should, be drawn so that they include, among other things, a review of: the size, and composition of the Lloyd's Council, as well as the roles of all its officers; whether it is desirable to retain the one agent — one class of business rule. This rule restricts every name's choice of agent and syndicates; and means by which Lloyd's mem-bers might enjoy all those rights and remedies available to

At least, names should bave the right to requisition a meeting of all a syndicate's mem-bers, at which resolutions could be put and voled on in person or by proxy; such resolutions once passed would bind all members of the syndicate. Matters as diverse as the appointment of auditors, to the fixing of the managing agent's remuneration could be covered

A15 Albany, Piccadilly, W1.

China and GATT

From Mr E. McGovern

Sir,—Your report (January 13) of China's intention to rejoin the GATT overlooks one reonsideration which the Ghinese take quite seriously. From their point of view although the Nationalist Government was entitled to join the GATT in 1948, by tha time of its purported with-drawal in 1950 it was no longer the lawful Government of China, having lost that status with its departure for Taiwan. Consequently in their eyes the present renewal of interest in GATT constitutes a reactivation rather than renewal of mem-

In other circumstances existing GATT members might be prepared to indulge Chinese feelings over what might appear a mere legal technicality. It is possible, however, that such an interpretation would bave significant ramifications in US law. Furthermore, the entry of China into the GATT is viewed with considerable doubts by some developed countries, and they will be with the consequences of the energy saving, countries, and they will be with the consequences of the consequences. The most becausity was the doubte casualty was the doubte c

Letters to the Editor

For both these reasons it seems likely that China will be pressed into accepting a proper accession protocol 18, Victoria Road, Topsham, Exeter.

links

From the Editor.

Sir, - Your correspondents' article (January 13) on James sherwood's bid to build the fixed link across the Channel omits to mention one of the aces in Mr Sherwood's hand.

His threat last October to close down Sealink operations at Power should his scheme not

at Dover should his scheme not be chosen must be particularly worying to Mrs Thatcher's Government since it was it which sold Sealink to Mr

Sherwood.

While tha vote-winning capacity of the fixed link is in some doubt anyway it would certainly be highly embarrassing if a newly-privatised company is forced to make 2,500 of its seamen redundant because it is unable to compete with a scheme backed by the Government which returned it to the private sector in the first place. sector in the first place.

Mr Sherwood may, of course,

choose not to gn ahead with the closure should he fail to win the contract. The possibility that he will however must surely give the Government pause for thought. Simon Bottery,

The Ship Press, 230-234 Long Lane SE1.

Home improvement grants From the Financial Director,

Glostal Sir,—The letter from Andrew Warren (January 13) is correct as far as it goes, but if anything energy conservation was ex-hibited in the 1984 Budget when VAT was imposed on home improvements with little regard

determined to ensure that a particularly with the recent changes in window technology which have improved the thermal effectiveness significantly.

Rather than rbetoric, a more

meaningful indication of the Government's commitment would he positive incentives to house-holders of the sort that the Irish Government has proved will work. Until such campaigns as work. Until such campaigns as conservation of energy are backed up by hard cash the rhetoric to "save it" will simply be met by a double glazed look from the electorate. D. Heenan

Tewkesbury, Glos. Discriminating support

From the Director-General, Electronic Components Industry Federation

Sir,-Underlying everything almost in your survey on Invest-ing in Britain (January 8) is the nuspoken assumption that all inward investment is a Good Thing, justifying every sort of

Thing, justifying every sort of Government support.

This federation of course does not object to foreign newcomers setting up here with their own money; nor to inward investors receiving "automatic" government assistance (such as regional development grants) which is equally available to companies already able to companies already operating here. And we accept that where important technology not otherwise available is involved, or established companies are unable or unwilling to meet an important market demand, government support of investment by incoming foreign companies may well be in the national interest. But where selective assistance is given to an inward by consumer organisations.

investor to set up manufacture of products which could equally well be supplied by established manufacturers, established manufacturers, then there is a strong prima facie case that the displacement effect on existing firms and jobs will equal or exceed nnderstates the problem. The greatest example of the Government's lack of commitment to ment, and tharefore no overall national economic benefit will result from subsidisation with taxpayers' money which could have been benaficially applied

Industry, assured it that selec-tive financial assistance was provided for inward investment only when this was in the overall, long term, national economic interest, and that an important factor in assessing this was the likely effect of a proposed investment on estab-lished businesses.

We can only bope that Mr Lamoot's successor, and the new Secretary of State, whose passionate belief in regional policy was mentioned in your survey, also accept that selective support of inward invest ment must be discriminating. Richard H, W. Bullock. 7-8 Savile Row, W1,

Keep Sunday special

From the Deputy Director, National Consumer Council Sir,—Your report (January 10) quotes the "Keep Sunday special" campaign as saying "there are a number of feasible and enforceable ways to maintain regulations on Sunday trading" trading.

a system of draconian fines which would be levied either on each illegal transaction or on weekly turnover. The maximum fine at present is £1,000, so a shopkeeper who stayed open a quarter of an bour extra to serve three customers spending a pound each could face fines of £3,000. A store selling forbidden items to 20 customers could be fined £20,000. Such penalties can lead to be properties and inh only to bankruptcies and joh losses. The DIY retailers' fede-ration makes the point very strongly that Sunday trading, once lost, cannot always be re-couped at other times of the

Your report also quotes Dr Schulter as saying that the campaign to reform shop hours is promoted by "a group of just half a dozen multiple retailers who expect to gain most ont of deregulation." This is what Winston Churchill would have called a terminological inexactitude. The campaign to get rid of our ridiculous restrictions on shops' freedom to open was mounted for many years largely And why? Because we know from opinion poll after opinion poll that this is what most people

"Keep Sunday special" is careful not to mention the experience of Scotland, where shops have for many years been free to open on Sundays. There has been no evidence of higher prices, no extra burden on the rates, and no bad effect on the traditional day of rest. By all means, let's keep Sunday special, But not specially ridiculous.

want.

Peking awards

ADVERTISEMENT.

Plessey in 'buy-British' Japanese breakthrough

By clinching a high-technology deal with Nitsuko - one of Japan's leading telecommunications equipment suppliers -Plessey has scored another major success for Britain's export drive.
Under a new agreement,

Plessey will supply the CDSS modern office switchboard (marketed in the UK as the Monarch) to Nitsuko for sale in the Japanese home market. Says Plessey Network and Office Systems chief executive, Ian Maclean: 'Selling CDSS in Japan is a tremendous breakthrough for British technology. The CDSS system which we make in Beeston has already been sold

to 30 countries, and this latest success confirms its worldclass rating? Nitsuko have stated that they chose the Plessey CDSS because it gave them an excellent apportunity to present their Japanese customers with a world-proven high techno-

UNIQUE IN ITS CLASS

In air traffic control, Plessey

Watchman radar is unique

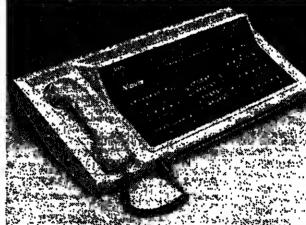
in its class. It's the first radar

to feature a travelling wave

tube transmitter, which, when combined with Plessey adapt-

ive moving target detector signal processing and advanc-

ed pulse compression tech-



logy system. They had every confidence the CDSS would Telegraph (NTT) - the sell well in Japan - nne of the

largest and most enmpetitive telegraph administration. markets anywhere.

FIRST FOR BRITAIN This breakthrough in Japan

by Plessey marks the first occasion a British digital switching system has been approved for sale there. It involved gaining vital type approval from Nippon Telephone and

Japanese pasts, telephone and Plessey has manufactured

more digital telephone systems for business than any other British company and is accustomed to making intricate but essential changes to its products for different markets.

Sn, naturally, the CDSS for Nitsuko has Japanese characters on its console.

Watchman radar systems for China and Oman

Plessey has now been awarded two further significant contracts for its Watchman radar system — against international and reliable detection of the It will supply the Sultan of Oman's Air Force, and also the Xiamen International Airport smallest targets, even in the

most adverse weather This high performance in in Fujian Province, China. In conditions such as heavy rain addition to Watchman radar is particularly important at and Watchman display Xiamens which is in an area systems, both orders incor-porate Cossor secondary subject to typhoons. For both contracts, data surveillance radar.

will be presented on Watchman display consoles which each have a dedicated computer to provide opti-



mum system availability and operational flexibility. As well as these contract

successes in China and Oman - and in other foreign markets
- Plessey Watchman has
already been selected by the Royal Air Force as the replace-ment radar at all its airfields.



ed pulse compression techniques, ensures consistent **Technology is our business.** fully in a countries.

Plessey the green light Plessey has just signed a contract with the Beijing Foreign Trade Corporation for an urban traffic control system

for the east district of Beijing (Peking). The contract is a pilnt

system to upgrade 39 traffic junctions with the unique traffic-responsive control strategy know as SCOOT (Split Cycle Offset Optimisation Technique).

TRAINING INCLUDED Plessey will supply, install and commission hardware and software for the two-year

project, as well as training Beijing's traffic engineers.

The system will comprise 39 Plessey Type 200 intersec-tion controllers, some 250 detectors, and sophisticated computer management, with nperator peripherals and wallmap displays. In the UK, Plessey installed

mnre computer-controlled road traffic systems in 1985 than any other company. Its Beijing SCOOT con-tract—the first nutside a British

territory - will recognise that apart from increasing mntor traffic, five million bicycles use the Chinese capital's

Plessey leads chip growth in Europe

With its microchips, Plessey achieved greater sales percent-age growth in Europe in 1985 than any other manufacturer in the world.

According to Dataquest - the independent specialists in electronics market research -Plessey integrated circuit sales increased by 28.89%. The next fastest growing manufacturer was Fujitsu, whose European revenue was up by 22%, followed by Thomson, Signetics and ITT.

Plessey estimates that a fifth of its microchips are sold to its own companies for application in Plessey systems. The other 80% competes successfully in more than fifteen

FINANCIAL TIMES

Thursday January 16 1986

COMMITMENT That's BTR

TREASURY SCHEME TO CUT DEFENCE EXPENDITURE AND SPEED UP ASSET SALES

UK spending squeeze planned

BY PHILIP STEPHENS, ECONOMICS CORRESPONDENT, IN LONDON

THE BRITISH Government yesterday confirmed its plans for deep cuts in defence expenditure, a squeeze on social security outlays and an accelerated programme of assets sales in order to hold public spending roughly constant in real terms until 1988-89.

The plans, published in the Treasury's annual Public Spending White Paper (policy document) en-visage that inflation-adjusted spending by central and local gov-ernment in the current financial the Government took office.
From now until 1988-89, outlays

are projected to rise more or less with price increases, although if as-set sales are excluded from the calculations there is a small real

Introducing the plans at a press confereoce yesterday, Mr John MacGregor, chief secretary to the Treasury, said he was confident that spending in 1985-86 would not overshoot its £134.2bn (\$193.3bn) criticism, however, from Mr Roy Hattersley, the Labour Party's shadow Chancellor of the Exchequer. He said they showed "callous disregard for the unemployed" and

target.
The projections for the next three gives good grounds for thinking dismissed."

terday surrounded the government offices bousing Prime Minister

ministers. Reports of a coup to top-

ple the Government, bowever, were

denied by Mr Desmond Sixishe, the

Eyewitnesses in Maseru, the cap-

ital, said a convoy of 20 military ve-

hicles arrived outside the modern

Correspondents and a Reuters

photographer in the capital report-

ed hearing gunfire but the govern-

armed troops around the govern-

Foreign Minister.

and rormal."

BY ANTHONY ROBINSON IN JOHANNESBURG

TROOPS AND armoured cars of the Lesotho para-military force yesseru follow two weeks of sustained

Chief Leabua Jonathan and other January 1 instituted tight border

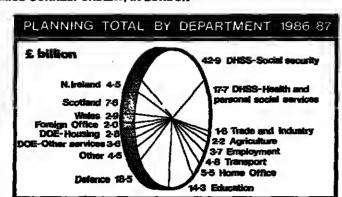
government complex around noon and forced civil servants out of the building but left ministers at their desks.

electricity, while all supplies and exports pass through South African territory, including oil, which is shipped in by rail, and other

ment radio continued with its nor-mal programme and Mr Peter Ros-on South African mines and the

ling, the British High Commisioner, many other workers employed le-while confirming the presence of gally and illegally in the republic.

ment complex, said that otherwise Lesotho were reported to be "out of



that actual spending will be con-tained within the levels now

The spending plans drew fierce wilful neglect of Britain's future."

The projections for the next three years, be added, were entirely realistic and be emphasised the progress that the Government had made in improving efficiency to se-cure better value for money. "This frastructure had been "arrogantly

pressure on the capital by the South African authorities, who on

controls on all traffic entering and

pends upon South Africa for all its

Its male source of income is the

Telephone communications with

communications authority.

repatriated earnings of the 139,000

Leaving the country.

Lesotho, a small, mountainous kingdom of 1.4m inhabitants, is totally surrounded by South Africa and the Transkei homeland. It details the existing liaison committee be-

Military surrounds Lesotho

Government headquarters

"Most significant of all, this white pever shows that the Government's oposed tax cuts are now wholly dependent on the sale of national assets such as British Gas." he

The Building Employers' Confederation expressed 'deep disappointment' with the Government's capital spending plans. "This is a sad reflection of spending priorities in the face of carabolaries and the face of th the face of overwhelming evidence of urgent building needs in Britain today," it said.

The Treasury's plans envisage re-ceipts from asset sales of £4.4bn in each of the oext three years, which

South African pressure on Leso-

tho is aimed at forcing the Govern-

ment to accept a security treaty,

similar to those with Mozambique and Swazīland, that would effec-tively prevent the African National

tween the two countries and partici-

pate in a special security sub-

Talks between the two sides are

expected to take place shortly

aimed at fleshing out the agree-ment and removal of the blockade,

which has led to queues over 2 km

long on the main approach roads and a severe shortage of oil, medi-

cines, food and other essentials.

Sir Patrick Moberly, the British Ambassador to South Africa, yes-

puty Foreign Minister, in Cape

under official accounting conven-tions are regarded as negative spending rather than revenues. The £139.1bn official spending to-tal which the white paper confirms for 1986-87 represents no change in real terms from the current year if inflation turns out at 4.5 per cent as

Actual spending, however, might be more than 1 per cent higher in real terms because this year's figures have been distorted by the after-effects of the miners' strike and next year's will be depressed by

The detailed spending figures show that defence, which up to now had been shielded from the spending axe, will find its budget cut by 6.8 per cent over the three-year period to 1988-89

In the social services sector only the National Health Service (NHS) has been exempted from real cuts over the next three years. Charges for items such as prescriptions, spectacles and dental care are likely to rise by more than inflation.

NHS spending is scheduled to rise by 2 per cent in real terms next year and by 1.3 and 1.2 per cent re-spectively over the following two Details, Pages 10, 11; Editorial

ment, Page 16

LESOTHO

Town to call for a lifting of the

blockade and dialogue between the

two sides. This was in response to

an appeal by Chief Jonathan to the

Relations between Pretoria and

Maseru have been tense for months and reached a low point on Decem-

ber 19 when a commando force crossed the border and killed six

South African refugees, of whom five were members of the ANC, and

South Africa has denied respon-

three Lesotho citizens.

British and US governments.

Lloyd's accused of pushing up US premiums

LLOYD's of London is playing a "funny money" game in the US in-surance market, Mr Ratph Nader, the US consumer rights crusader, said in London yesterday.

In an extensive attack on the Lloyd's market, which stunned Lloyd's officials by its ferocity, Mr Nader said Lloyd's was deliberately pushing up insurance premiums in the US and manipulating the US in-

surance market. "What we are seeing is a funny-money game," he said. "It is illus-trated by the unwritten motio of Lloyd's underwriters that there is no such thing as a bad risk - there is only a bad rate!

Mr Nader was in London with Mr Robert Hunter, president of the US-based National Insurance Consumer Organisation (Nico). He said actions by Lloyd's in the US were arbitrarily driving insurance prices to excessive levels "and eliminating coverage of risks in an attempt to reduce the rights of insured people to sue manufacturers and other negligent defendants to the lowest Western European common denom-

That was "highly provocative and highly insulting" to the US.

Nico wants to see greater regula-tion of Lloyd's and other foreign reinsurance companies, the groups that accept the risks insurance companies cannot carry on their own. It wants an independent insurance market in the US.

Mr Hunter said Lloyd's was largely responsible for the current crisis in the US insurance market, which had forced up premiums so much that many companies were being forced out of business and people were increasingly finding it difficult to get accident cover. Mr Nader said Lloyd's was heavy-

handed in its dealings in the US. What we are seeing is extraterritorial imperialism in the US which is offensive beyond the power of words to describe."

Nico has already filed a com-plaint with the US Justice Department over dealings by Lloyd's and had been told that the situation was being examined. Mr Nader said he would be passing over documents and bolding discussions with the British opposition Labour Party's trade spokesmen. The initiative might become a political issue in

Lloyd's retaliated at the allega tions last night. Officials said the Federal Trade Commission had confirmed that Lloyd's was not be-

The dispute between Lloyd's and the consumer organisation has been provoked by recent dramatic rises in insurance premiums.

All insurers, including Lloyd's,

have been facing large claims on li-ability business, which provides cover to companies against the fi-nancial consequences of legal action by employees, and damages arising from legal action because of

In the US yesterday, Mr Murray Lawrence, deputy chairman of Lloyd's, said it had no intention of boycotting US business. Insurance business from the US accounts for around 70 per cent of Lloyd's total

premium income of £3bn. Underwriters were struggling long and hard on liability business to quote terms that would give their clients something they could live with and at the same time allow un-derwriters to justify their decision to continue writing such business, which in recent years had produced heavy losses, he said.

Bonn minister

tration and Mr Paul Volcker, the

Federal Reserve Board chairman. Mr Volcker is thought to be conerned that any precipate cut in US interest rates would reduce pres-sure on the Administration to tackle the budget deficit and would run the risk of provoking an uncon-trolled slide in the dollar's value.

The West German Government has also explicitly rejected an inter-est rate pact. One senior official de-scribed it last week and n "complete

The European officials, however

Mr Bangemann's statement yes

THE LEX COLUMN

Fast forward for Dixons

Yesterday's statement on interna-tional rates by the West German Economics Minister was in the best tradition of public arm-twisting. Even if the US Administration really is committed to bringing down dollar rates, as Mr Bangemann suggests, there is no evidence that this enthusiasm is shared by Mr. Paul Volcker. And it is still the Federal Reserve Board that wears the

Dixons

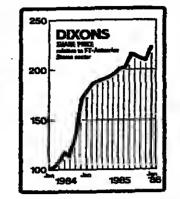
Only the grumpiest bear of oil prices and interest rates could fail to warm to profits growth in retailing of 140 per cent; but Dixons' quite astonishing set of interim figures, showing earnings growth of 43 per cent on £30m of pre-tax profit for a half-year that did not include Christmas sales gained rather Christmas sales, gained rather modest reward for beating even the most sanguine expectations. The share price, up over 30p at one stage, fell back to close 23p up at 918p. It is, at least, pleasing symmetry that the three-for-one scrip reestablishes the Dixons price at the exact level from which it launched its bid for Currys 15 months ago. The dramatic re-rating of Dixons

in the course of the bid arose from the belief that one of the ablest managements in UK retailing could work magic for Currys. What was not clear then was the extent to which Currys' relative weaknesses in financial and property manage ment, marketing, opportunity buy-ing and design - corresponded ex-actly to Dixons' strengths. And what is only just now emerging is that parallel retailing, in the sense clear to the clothing theorists of the Burton kidney, has even greater potential in the highly fragmented electrical market where Dixons'

chief opposition was, in effect,

But until Dixons produces state-

ments less Garbo-like in their retiand 22 per cent for Currys, is billow- at 152p.



styling of the Currys' shops starts raising sales densities to the level of Dixons Retail.

The paying down of the debt as-sociated with the bid, itself an outstanding achievement, should see net gearing down to 20 per cent by year-end; more pertinently, it should permit pre-tax profits for the year of comfortably over £70m after an excellent Christmas. That a business growing its earnings nearly four times faster than the market should enjoy a premium rating of only five points probably owes more to market vertigo than common sense; and little better than a market multiple for the year to spring 1987 is rather implausibly assuming that consumer spending will fall apart just before a general election.

Trusthouse Forte

Trusthouse Forte shareholders in much the same way as it handles hotel guests. Surprises, nice or nasty, are to be avoided at all costs and customer satisfaction is ensured by regular increases in assets, earnings and dividends. Yesterday's results for the year to October, showing a 19 per cent increase In pre-tax profits to £129,6m, were as wholesome as a cence, one can only assume that the THF steak. What they lacked was two chains' target customers really any real excitement and the mar-are separate; and that the volume ket having digested the solld fare growth, at 15 per cent for Dixons on offer, left the shares unchanged

will come a year from now when re- has plenty of scope to push up rea- should be disclosed.

lised room rates and the portfolio is being gradually extended through the development of the Post House chain and the introduction of Little Chef Lodges. European hotels have rewarded beavy investment with a 64 per cent improvement in sterling profits, leaving the US hotel operation as the only laggard. THF is still too small in the US to enjoy economies of scale and generate brand loyalty, making North America the obvious area for aggressive growth. A sizable acquisition would at least add an exciting ingredient to the THF share price which, assuming all-in pre-tax profits of £145m this year, looks correctly valued on a prospective multiple of just over 14 times.

Westland

The City's regulators cnn scarcely be blamed for taking a judiciously low profile with regard to the odd goings-on in Westland equity. The evidence from the West end of town is that anyone who comes into close proximity with the belicopter com-pany stands to have his hat sliced off by a flying rotor blade. And, as far as can be judged, no one has yet contravened the letter of either the Takeover Code or the Companies

APRILL

1977 E 1 45

The recent share dealing in Westland is, bowever, unsatisfactory in several respects. The obligations of an institutional shareholder have always been stronger in the case of a reconstruction than in the event of a takeover, admittedly for the compelling reason that the alternative to co-operation is receivership. Yet those obligations continued to apply even in the case of Dunlop; shareholders for the most part backed the incumbent management until their board was able to reach agreement with BTR. Westland has now changed all that and, while the institutions need not feel guilty about selling their investment for far more than it is worth, the precedent is not a healthy one.

Nor is it desirable that the beneficial ownership of a substantial stake in the company should reand 22 per cent for currys, is onlowing out of the shops on higher gross
and net margins all round. Clearly
there has been substantial gross
margin improvement in Currys'
brown goods through the introduction of Matsui – Dixons has a nice

at 132p.

A strong improvement in THFs
stake in the company should remain a mystery until after the extracting higher margins. While the
tracting higher margins. While the main a mystery until after the exline in japonaiserie for its own-volume growth will be nothing like the whole Westland story. To that label goods; but the real revolution so spectacular this year, the group extent, it is a material fact and

Gorbachev in move to extend N-test freeze

THE SOVIET UNION yesterday extended its freeze on nuclear tests by three months and produced a 15-year timetable for the complete elimination of nuclear weapons, writes Patrick Cockburn in Mos-

Mr Mikhail Gorbachev, the Soviet leader, in a statement timed to nuclear weapons with a range of up coincide with the reopening of the to 1,000 km. In the final stage be-Geneva disarmament negotiations with the US, today proposed "a step-by-step and consistent process of ridding the earth of nuclear and tha US would have abandoned

break the dangerous trend whereby the momentum of the arms race warned that such a limitation was is greater than the process of negoonly possible if the US mutually reby the momentum of the arms race

In Washington, President Ronald Reagan welcomed Mr Gorbachov's proposals and said they would be studied closely by the US and its

unilateral ban on Soviet nuclear weapons tests for six months last July which expired at the beginning of the year. President Ronald Rea-gan has consistently refused to join the nuclear test ban. Mr Gorbachev said that the So-viet test ban could be further ex-

tended if the US joined in. The Soviet plan for the elimina-

tion of nuclear weapons consists of three stages. In the first five to eight years the number of nuclear

ond five to seven-year stage from 1990 during which the US and the USSR would eliminate all tactical tween 1995 and 1999 all remaining nuclear powers would have begun to reduce their nuclear arsenals President Reagan's Strategic De-

Mr Gorbachev said be hoped to fence Initiative (star wars). break the dangerous trend where—
In his statement Mr Gorbacher nounce the development, testing and deployment of space strike weapons." This, agreed the super-powers, would proceed to the elimination of all intermediate-range

> By 1999 all nuclear weapon would be eliminated and verification that they were no longer deployed would be carried out by onsite technical teams, Mr Gorbachev

The Soviet proposal is consistent

allies.
The Soviet Union introduced a in Europe. Britain and France unilateral ban on Soviet nuclear would agree not to increase their nuclear armaments.

with the policy of Mr Gorbachev since he became leader of the Soviet Union last year

weapons capable of reaching each test ban is new

Heseltine says London tried to 'silence' Rome **Continued from Page 1**

Sir Geoffrey Howe, the Foreign ment's approach throughout had Secretary, to the British ambassa-been guided by the decision that no dor in Rome asking him to tell national-interest considerations ex-Prime Minister Bettino Craxi that isted to require the mounting of a Minister Craxi's public support for the European consortium on the previous day.

Mr Heseltine further alleged that on December 22 a Downing Street official had tried to stop a broadcast by himself on a BBC radio pro-gramme. He said that he had agreed to broadcast only after he had learnt that Mr Brittan had done so despite the Cabinet's agree-ment the previous Thursday that there was to be no public state-

On several crucial points Mr Heseltine's version directly contradicted that of Mrs Thatcher, in particular over a series of meetings in

Mrs Thatcher had defended her record in the affair, arguing that allegations that the Government had not discussed the issues in sufficient depth or in a timely way were absurd. She listed rine sepa-rate occasions when there were col-fice for a week, is endeavouring to lective discussions and said ministers had been given ample opportu-nity to express their views.

to add to capital under new regula-

tions which draw such off-balance-

Westland was a private company public sector rescue bid and thereand that it was for shareholders to fore a solution could not be dictated decide on the reintive merits of the to the company's directors and proposals. That followed Prime shareholders. She also claimed that the Govern-

ment had been ready throughout to encourage the possibility of a Euro-pean solution, although Mr Heseltine claimed that this was being frustrated in December both by Mrs Thatcher and by Sir John Cuckney, the Westland chairman.

The Conservatives have fallen to third place in the latest Gallup poll. Mrs Thatcher's party, with 29.5 per cent, trailed the Social Democrat/ Liberal alliance with 35 per cent and Labour with 34 per cent.

 Bridget Bloom in London writes: Mr George Younger, Britain's new Defence Secretary, has been in touch with key European defence ministers to reassure them of his belief in the continuing importance of defence collaboration despite the political crisis in the UK over the

adopt a low profile over the specific issues which last week provoked the dramatic resignation of Mr Mi-Mrs Thatcher said the Govern- chael Heseltine, his predecessor.

sheet risks into n capital adequacy

The regulators' concern has also been heightened by the deterioration in the quality of many banks' loan portfolios, evidenced by soaring loan write offs and tha substantial

tial increase in bank non-performing, or problem, loans, which has only just begun to subside.

In order to meet the existing 6 per cent capital requirement, im-posed only last year, and in antic-

ly to their loan loss

fuels interest rate hopes Continued from Page 1

non-starter".

cknowledged that any specific US proposals would have to be carefully considered. Britain, which has found its financial markets buffeted by falling oil prices and was last week forced to raise interest rates, might also want to benefit from the psychological impact on financial markets of such discussions.

ipation of the latest proposed changes, many of the leading US banks have been adding aggressiveterday sent share and bond prices sharply upwards in London.

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Why executive demand boom may be finished

BY MICHAEL DIXON

F BRITAIN'S Government	UNITED KIN										
worries at the moment, I dare-	_		985		1984		1983		982		981
say it might fact uneasy about	Туре	Posts	Change	Posts	Change	Posts	Change	Posts	Change		Change
he figures in the tabla along-	of	adver-	from	adver-	from	adver-	from	adver-	from	adver-	from
dde. They show bow the	work	tised	1984	tised	1983	tised	1962	tised	1961	tised	1980
United Kingdom executive-			%		%		%		%		%
employment market has moved	R & D	6,574	-10.5	7,457	+ 3.7	7,18 9	+49.6	4.805	+77.3	2,710	+123
ver the past five years, as	Marketing	6,471	- 5.1	6,822	+ 6.5	6,407	+19.9	5,343	+38.6	3,855	+ 8.0
neasured by the Hay-MSL con-	Production	7,936	+ 1.5	6.931	+14.8	6,039	+49.3	4,045	+39.4	2,902	- 2.1
ultancy's quarterly counts of	Accounting	6,721	+124	5,978	+13.8	5,254	+18.1	4,447	+117	3,980	+ 0.
senior jobs advertised in lead-	Computing	4,337	+ 7.4	4,040	+34.8	2,996	+51.6	1.976	+65.1	1,197	-20.
	General met	1,336	+ 20	1.310	+ 2.6	1,277	+ 2.5	1,246	+67.7	742	- 45
ng British journals.	Personnel	962	~ 63	1,027	+14.9	894	+35.7	659	+41.7	465	~37.
Reading down from the top	Others	6,602	+14.6	5,759	+42.9	4,030	+35.4	2,976	+ 7.7	2,544	– 5 1
he table shows, for each year,											
low many posts were adver-	Total (40,139	+ 21	39,324	+15.4	34,086	+33,7	25,497	+35.7	18,775	<u> </u>
ised for each of eight broad	Jao-March	11,624	+ 9.3	10.637	+16.9	9.108	+37.5	6,617	+42.1	4.658	-20,7
roups of staff and by whet		10,412	+ 3.8	10,034	+20.3	8,340	+49.2	5,590	+18.0	4,738	- 54
ercentage demand for them	July-Sept	9,507	- 2.6	9,760	+20.7	8,086	+18.5	6,822	+54.6	4,413	+ 64
was up or down by comparison	Oct-Dec	8,596	- 3.3	8,893	+ 3.9	8,560	+32.3	6,468	+29.7	4,986	+22.7
with the year before. The				-,		-,		-,			

groups are research, design and development; marketing and sales; production; accounting and finance; computing; general management; personnel; and the catch-all category "others." It includee all senior staff not fitting the previous seven descriptions, such as buyers, company lawyers, economists and assorted internal consultants. September, and October to December.

sales; production; accounting and finance; computing; general management; personnel; and the catch-all category "others."

It includes all senior staff not fitting the previous seven descriptions, such as buyers, company lawyers, economists and assorted internal consultants.

Sandwiched between the thin rules about two-thirds of the way down the table, we heve each year's total covering all types of managers and key specialists. The four lines at the bottom show the number of posts advertised and changes in demand for each of the Column readers—is the highest

of posts advertised and changes for the information of Jobs in demand for each of the Column readers—is the highest quarterly periods January to March, April to June, July to history of the count.

The trouble is that the more marketing. Rises and falls in detailed figures for 1985 sugdemand for those kinds of staff gest that the boom at the top are believed by many people end of the British employment to be lead indicators of the climete for industry in general.

end of the British employment market may at last be over.

One such gloomy sign lies in the quarterly counts at the bottom of tha table. It was in the June to September period of 1981 that the advertised demand changed from decline to improvement, and it kept on improving every quarter for tha next four years. With the coming of June last year, bowever, the market suddenly turned down again.

Another gloomy sign is the drop between 1984 end 1985 in the market for high-grade people in research, design and development, and in sales and What is more Hay-MSL's Castlar Michie, who has had e leading part in the counting exercise since it started, says there is yet more evidence that tha UK executive employment market is headed for e fairly lengthy decline.

executives are going to get decline in demand for execu-worse over the next couple of tive types at the beginning of years or more."

decline in demand for execu-tive types at the beginning of 1985—which in the end. of years or more."

high-technology industry.

2,550. In October-December 1984 the number was down to

Fortunately, the signs are less discoureging in the other three industries which the consultancy now keeps track of—energy, retailing, and food, drink and tobacco.

graphs we have been keeping for food, drink and tobacco for the past quarter century, it seems pretty clear that we are into another downward cycle. So although I'd very much like to believe otherwise I've little doubt that job prospects for open the past of the past quarter century, it are past of the past quarter century, it are past quarter century and

Perhaps the most disturbing course, proved to be the best sign for Mrs Thatcher and her year ever. If the market Cabinet colleagues ie the trend in executive recruitment in saw as an inexorable downsaw as an inexorable down-ward trend then, it may be that

In the last quarter of 1983, Mr Michie says, the number of senior jobs advertised in the UK by high-tech companies was Determined optimists might additionally bope that any continuing fall in advertised demand might be outweighed by an increase in recruitment the presental approach. 1984 the number was down to 2,038. During the final three by the personal-approach by the personal-approach methods of executive search. After all, the Hay-MSL count does not cover the activities of Government was looking on as the front runner of industrial recovery may be turning out to he the Trojan Horse," he adds.

comes across e farmer who is doing well, one never seems to encounter a search consultant who is doing badly.

The Jobs Column, for its part, is as ever inclined to take the optimistic view. But I have little doubt that the decisive time is now upon us. Unless the advertised demand makes a big lean unwards in the first "Over the past decade the average drop in the demand between the first quarter of the year and October-December has heen about 7 per cent. The fall between the two periods last year was no less than 26 per cent. On the evidence of the corresponding that the decisive time is now upon us. Unless the advertised demand makes a hig leap upwards in the first quarter of this year as it did in 1985, the high probability is closing period of last year. The equivalent figures for retailing that Hay-MSL's gloomy predictions will at last turn out to be justified.

BADENOCH & CLARK

FUND MANAGEMENT INTERNATIONAL EQUITIES £15,000 to £30,000

A number of organisations, including Merchant Banks, Insurance Companies and independents, are looking for international fund managers with experience in European, American or Far Eastern Markets.

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A leading International Merchant Bank, with an enviable reputation in portfolio management, requires an additional executive to manage a fund of fixed interest securities

Interested applicants should have at least two years experience, gained in a major house, as an Analyst/ Junior Fund Manager with the ability and personality to manage their own funds in the short term. This position also offers the opportunity to broaden one's marketing skills in the UK and the USA.

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EXECUTIVE — CUSTOMER DESK

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A new position has been created in the dealing room of an expanding international bank located in the centre of the City. The post is open to ambitious young dealers with at least two years market experience, familiarity with European currencies would be an

Please contact David Little FRN TRADERS/SALES (TRAINEES) Excellent opportunities exist fo train on the trading or sales desks of one of the City's leading investment houses. Condidates will be graduates with a business-related degree, hopefully Mathematics or Economics. We would be pleased to hear from people who feel they have the obility to make it in the fast moving world of a City dealing room.

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Fund Management

International **Fixed Interest**

Major Investment Co.

Our Client, part of one of the strongest and most rapidly growing merchant and investment banking groups, seeks two additional Fund Managers aged 25/32 to join their specialist Fixed Interest and Currency team.

UK based-Currency Specialist

The person they seek for this new job will work initially in the area of Money Market funds management. He/she will need a minimum of two years' experience of Fixed Interest Securities and Money Market Instruments.

The person appointed will work with an existing senior manager and will rapidly take over and develop Client relationships. It is important that the person appointed can work within a closely knit team where business is expanding dramatically.

Tokyo based-Fixed Interest

This is an unusual opportunity for a Fixed Interest specialist who need not necessarily to date have experience of the Pacific Basin. The person appointed will work in Tokyo as the Fixed Interest Manager within a new and small team, which will both manage Japanese investments and advise Japanese clients on world-wide portfolio

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Please write in the first instance to Colin Barry, Senior Partner, quoting reference 709, at Overton Shirley and Barry, Prince Rupert House, 64 Queen Street, London EC4R 1AD. Telephone: 01-248 0355.

Overton Shirley & Barry

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The main task over the next 3-5 years will be to lead a phase of significant investment, impovation and profit growth.

The Managing Director will report to the Chairman of Visnews, who is also General Manager and Deputy Managing Director of Reuters, which has recently become the majority shareholder. The minority shareholders are the national broadcasting organisations of Australia, Britain, Canada and New Zealand.

Candidates must have an outstanding record of managing a successful business, most likely in a major TV organisation, with experience of international business and the use of communications technology an advantage.

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Contact Richard Ratner or John Chateway

U.K. EQUITY SALES EXECUTIVE

The continuing growth of our inetitutiesal business, hulped by the expansion of our ensigned of upocalist sectors, has created the need for an additional sales executive to market the growing autput of respected research. We would like to talk to sales executives at all levelu of experience and ere looking in particular for mativation and judic communication.

Contact Michael Oliver or Nicholes Spearing axion packages will be highly comptitive and will be geared to the achievements of the individual

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to £25,000+car

self-reliant and flexible (considerable travel will be involved); you must also have well-developed communication skills and a natural ability to come to terms quickly with a number of diverse operations. As in other recent instances, you will be expected to justify promotion within two or three years into a more senior financial/commerical role. Full relocation expenses will be paid if necessary

Please send a detailed c.v., including contact telephone numbers, in strict confidence to Peter Wilson FCA at Management Appointments Limited

(Search & Selection Consultants), Finland House, 56 Haymarket, London SWIY 4RN. Tel: (01) 930 6314.

Marketing

Southern Europe

The Merchant Bank subsidiary of a major US bank currently seeks an experienced individual to join its Southern/ Eastern Europe and Middle East marketing group. Reporting to an Executive Director, the role includes full responsibility for developing business in Southern Europe. This will include marketing bonds, loans and swaps to major corporates, government and financial institutions. The ability to market for business as well as structure and price deals in fixed and floating rate products is essential.

In their late 20's/early 30's, candidates must have a thorough knowledge of swaps, syndicated lending and hybrid instruments. Experience of developing client relations in the Italian market is a prerequisite as is an ability to speak Italian plus one other European language fluently, in addition to English.

Candidates with the ability to generate business in this geographic area should contact Christopher Smith on 01-404 5751 or write to him, enclosing full curriculum vitae and quoting reference 3588, at 39/41 Parker Street, London WC2B 5LH.

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Ionathan Wren

Manager, Aerospace c£27.500

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The successful candidate will probably be aged 26-32, have a Degree and probably a professional banking qualification, and will have been working either in the aerospace department of a US or Clearing Bank for a minimum period of two years or, exceptionally, could currently be working in Sales Finance for a manufacturer or, in the Treasury Department of an airline. Experience of ECGD and/or Airbus financing, including the negotiation and completion of transactions is essential, and some knowledge of leasing would be helpful.

A salary of c£27,500 is offered, together with car, performance related profit sharing and usual banking benefits.

Please contact Mark Forrester.

All spolications will be treated in strict confidence.

Recruitment Consultants

HONG KONG

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Applicants should have at least two years' active experience in the foreign exchange markets, be innovative, highly motivated and have the ability to work independently as well as with a global team.

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Write in confidence with full c.u. and daytime telephone number to Charlotte Shipton, L. F. Rothschild, Unterberg, Towbin International, Clements House, 14-18 Gresham Street, London EC2V 7JE.

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SYDNEY

L.F. ROTHSCHILD, UNTERBERG, TOWBIN INTERNATIONAL

Scrimgeour Vickers - Vickers da Costa

Change = Opportunity

It is our view and the view of our parent company Citicorp that to succeed over the next few years any major securities group will need a combination of research knowledge and placing ability both domestically and internationally. We already have most of the constituents for success through our well respected United Kingdom and Far Eastern research, Group Stock Exchange memberships in London, Hong Kong, Australia and, shortly, Tokyo. Additionally there is strong representation elsewhere in the Far East plus an associated company in the United States.

What we need, however, is a significant number of capable and ambitious people to help us achieve our goals.

We outline below, examples of, three positions that are currently open.

We are looking to expand our UK Institutional Sales team. Candidates should have at least four to five years' experience either in sales, research or fund management. Applicants should be able to interpret and communicate high quality research to a wide range of Institutional clients.

With the acquisition of a Tokyo Stock Exchange Seat, we are looking to expand our overall sales efforts on Japanese equities. We are therefore seeking sales executives who would like to convert from their present specialisation onto the Japanese market. No previous experience of Japan is necessary as full training will be provided but a quick and adaptable mind certainly is. A research background would be helpful and any successful candidate would be expected to travel.

Institutional Sales to Europe

An enlarged team servicing Continental European clients on the United Kingdom requires a further member. Candidates will be aged between 27 and 37 with a sound knowledge of French and possibly German. Previous experience should include selling based on the use of high quality research material. Candidates for this position may at present be working in a Continental Institution.

In all cases remuneration packages will be competitive and will contain an element of gearing to profitability. In the first instance please send a curriculum virse in confidence to

The Senior Partner Scrimgeour Vickers & Co The Chairman

Vickers da Costa Ltd Regis House, King William Street
London EC4R 9AR

If your career pattern to date does not fit any of the three positions above but nevertheless you are looking for change send us a curriculum vitae anyway

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Management Consultant to work in Scotland's Financial Sector

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Please send a succinct CV - in confidence - to Bill Brackenridge, quoting reference 15916.

HAY-MSL Management Consultants, . 39 St. Vincent Place, Glasgow G1 2ER. The appointment is open to men and women

investment and Administration Co-ordinator

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The candidate appointed will deal with administrative matters relating to client

The candidate appointed will deal with administrative matters relating to client portfolios involving business records, implementation of investment decisions and preparation of reports and proposals to clients concerning investment valuations, assurance quotations and personal taxation matters. Other duties will cover responsibility for company accounting records and assistance in the operation and development of the computer systems.

Candidates aged 27-40, should ideally offer experience in investment, accountancy and insurance. Personal qualities considered essential are good appearance, a high degree of numeracy and literacy coupled with the ability to use initiative and resolve anomalies.

An attractive salary and benefits package will be negotiated according to experience and will include assistance with relocation where applicable Write with full career history to:

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UK Merchant Bank

Capital Markets -Origination -

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The successful applicant aged 24-27, will be a graduate with 2/3 years' experience in an international or merchant hanking environment.

Candidates must have the potential to transact business at senior levels within the financial and commercial sectors. A formal credit training and foreign language ability would be distinct advantages.

The remuneration package is negotiable depending on experience and ability. In the first instance please contact Jonathan Williams or Christopher Smith on 01-404 5751 or write to them, quoting ref. 3591, at Michael Page City, 39-41 Parker Street, London WC2B 5LH.

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The successful candidate will be capable of understanding the intricacies of these treasury products, be adaptable and a selfstarter. Experience in a Treasury related environment, preferably with a major Investment Bank, together with a degree in a business or science

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An attractive compensation package with the usual banking benefits will fully reflect your experience and qualifications.

Please send full career details to Mr P. Mardon, Personnel Department, Citicorp Investment Bank Limited, 335 Strand, London WC2.

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Remuneration, together with a comprehensive range of benefits, will be highly competitive. To apply please ring or write in complete confidence, to Matthew Wright of Cripps, Sears and Associates Limited, Personnel Management Consultants, 88/89 High Holborn, London WCIV 6LH. Telephone:

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Reporting to the editor, you will ideally

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have skills gained from direct practical

International Recruitment Officer HongkongBank The HongkongBank Group

On Richard State

HongkongBank Group

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£41 per single column Security Pacific Corporation is a Los Angelescentimetre based financial services company with assets of \$50 billion. Its principal subsidiary is Security and £12 per line Pacific National Bank and it has branches in 24 countries around the world.

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You should be able to write fluently and with flair whilst working under the pressure of deadlines. Ideally you are likely to have a degree, or higher degree, in international economics or other relevant qualifications.

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ROYAL TRUST

Fund Management – Fixed Interest

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With funds under management totalling several billion pounds, our client is one of the City's most influential institutions and has a considerable presence in the financial services market. In line with current expansion plans, they wish to appoint a capable person to join the small Fixed Interest Investment team.

This represents an excellent opportunity for a career-minded individual willing to accept responsibility, and to contribute to the development of investment strategy. With direct control over more than £11/2 billion of investments, the team manages a variety of types and sizes of portfolios. Although most of these investments are in sterling, there is also a significant overseas content.

Ideally, candidates should be graduates in their early to mid-twenties with a minimum of two years' experience of the fixed interest market, gained with a stockbroker or an institution.

Please contact Anna Robson, Investment Division, 39-41 Parker Street, London WC2B 5LH or telephone 01-404 5751. All replies will be treated confidentially.



Michael Page City

International Recruitment Consultants-London Brussels New York Sydney A member of the Addison Page PLC group

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Director Marketing

On behalf of a leading UK Merchant Bank, we seek a highly professional Graduate Banker, (M.B.A., A.C.A., or LL.B. preferred), aged 30-36 years, whose extensive involvement in negotiating high value leasing transactions at senior level has resulted from first class innovative tax efficient pricing and structuring skills. The ability to identify business opportunities, and the technical creativity to formulate individual financial packages of a highly complex nature, will identify the successful candidate. The salary indicated is designed to attract exceptional expertise.

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£70-£100,000

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Vice President -**Lease Marketing**

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For the above 3 vacancies please contact Brian Gooch or Jili Backhouse.

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To £50,000 + Bonus

We have been requested by a number of Major Merchant Banks to assist in the recruitment of experienced UK Domestic Corporate Finance specialists, to join their expanding, highly successful departments at Manager/Assistant Director level. Candidates ere likely to be aged 25-32 years, and will have a minimum of 2 years relevant experience gained within a

International Equities

The expansion of the International Equities operations of those Merchant Banks which are integrating with Brokers and Market Makers, has provided a requirement for experienced research, sales and jobbing staff, covering all Overseas markets. We shall be pleased to hear from appropriete applicants.

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£30.000

On behalf of two Clients we are seeking experienced Managers to take responsibility for marketing specialised Unit Trust products. Candidates should possess a significant knowledge of the professional intermediery market.

For the above 3 vacancies please contact Mark Forrester

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HONG KONG

A Major International Investment Bank wishes to appoint an additional Investment Manager. Applicants will have a sound background in equity research, and match the dynamic and innovative character of the existing team. Particular expertise is required in the management of European and UK equities and Eurobond portfolio's. This is a first class career development

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SYDNEY

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Due to promotion, an opening now exists within the European Headquarters of a major International Bank for a Head of Operations.

The role will be wide ranging covering overall supervision and co-ordination of back office support, including financial control. In addition the appointment carries responsibility for the development. role, but also with flexibility and and application of computer systems and hardware, ensuring that these are properly driven for business needs and will not be a limiting factor for the right compatible with other parts of the group. candidate.

As part of the top management team, the critical area of experience which will distinguish the outstanding candidate will be a sound understanding of international banking activities.

Career prospects are excellent for those not only with the necessary expertise to undertake this important commitment to contribute to this challenging environment. Compensation

As advisors to our client, we will fully respect the confidentiality of any initial approach from those interested in discussing this further.

Alternatively, please write with a full CV quoting reference MCS/6066 to Alannah Hunt, Executive Selection Division Price Waterhouse

ment Consultants ark Towers 32 London Bridge Street London SEL 9SY

Price Waterhouse



SYSTEMS LIAISON **MANAGERS**

c£22,000

INTERNATIONAL BANKING

Standard Chartered is one of Britain's major international banks, with gross assets exceeding £26,000 million and more than 2000 offices in over

We wish to recruit two Systems Liaison Managers to join diverse areas of our Organisation, namely international Banking Division and Africa. Department, London.

These new posts will be responsible for the strategic planning of business applications systems within the relevant area and for co-ordinating their development with our Technical Services Division. The jobs will include giving advice and guidance to line management on

matters related to systems and technology. The ideal candidates will be aged 30-35 years, will have a programming/systems analysis background gained, preferably, in an international

banking environment, and proven ability in leading teams on specific computer projects. Experience of mainframe computer configurations, preferably IBM, is essential for the post within International Banking Division; experience of working with large systems teams and installing business systems in overseas areas is essential for the Africa Department post. Applicants for this latter post must be willing to travel overseas on trips of short duration. Ageneral banking background is highly desirable for both posts.

Remuneration will be c£22,000 plus the usual enerous banking benefits. Good prospects for future development exist for the right candidates.

Please apply, with a comprehensive c.v., to Jean Collins, Assistant Manager, U.K. Personnel Services, Standard Chartered Bank, 38 Bishopsgate, London EC3N 4DE.

Standard & Chartered

REGIONAL CREDIT **MANAGER**

North West Regional Office Liverpool Negotiable to £20,000

Girobank is continuing to increase the range of services it offers business customers and one important recent customers and one important recent development has been the opening of Regional Offices to establish the bank on a more localised basis with the objective of attracting new business within the areas served by the Regional Offices. The bank has a commercial lending function but is seeking to extend lending facilities through its Regional Offices and wishes to strengthen its managenal expertise in this field by appointing a Regional Credit Manager dealing with corporate business in Liverpool. in Liverpool.

Reporting to the Regional General
Manager but with a functional
responsibility to the Commercial Lending
Manager, the Regional Credit Manager
will be responsible for all aspects of credit
analysis and lending facilities in the region
and will provide professional advice on all commercial credit matters.

Our client is a highly successful, international

services company involved in different markets

Continued expansion of this Ebillion turnover

Controller, tasks will cover corporate planning,

strategic analysis and the financial monitoring

of subsidiary performance; this will include

investment and portfolio analysis plus MIS

development will also be within the remit.

financial control and acquisitions. Additional

organisation has created the need for a

control role. Reporting to the Group

perceptive analyst to fulfil a major financial

London

throughout the world.

The manager appointed will have several years bank/lending experience together with a full knowledge of all aspects of credit analysis, lending operations, securities and legal requirements.

He/she will also have good inter-personal and negotiating skills and possess a professional qualification in banking.

Conditions include a contributory, index-linked pension scheme, 5½ weeks annual holiday and assistance with relocation expenses where necessary.

Please apply in writing outlining ca progress and current salary and how you meet the requirements of the position to; Peter J Farrer, Head of Management. Development, Girobank plc, Bridle Road, Bootle, Merseyside, GTR 0AA.

NATIONAL **Fiirobank**

to £25,000 + car

change, persuasive communication skills, and

a decisive, determined approach. Preferably

experienced at large company commercial or

industrial level, you will probably be in your

The salary will be negotiable from £20,000 for

candidates with good experience, to £25,000

for the exceptional candidate. An extensive

benefits package includes a company car,

BUPA and contributory pension scheme.

Andrew Sales FCCA, Executive Division,

enclosing a comprehensive curriculum vitae,

Interested candidates should write to

late 20's to early 30's.

MEMBERS OF THE STOCK EXCHANGE

Savory Milln will be market makers in a selected list of UK equities during 1986 and we are therefore looking for dealers with relevant experience. Our Company is already "dual capacity" in its international trading and is in a strong position to take advantage of changing market conditions in the build up to "Big Bang".

Our involvement in all major continental European markets is substantial and we now wish to extend our market making activities into UK Equities.

Please contact Hugh Hughes on 01-588 1170 or write to him at 3 London Wall Buildings, London EC2M 5PU.

A member of Arbuthnot Savory Milln Holdings Limited

Head a New Venture

City Based

Package c £35k

Our client is a leading British stockbroking firm. It seeks an exceptional individual, probably aged late 30's, to head a new research team and to expand the operation both in the UK and internationally. The rewards package is negotiable.

The new team will utilize a unique approach to investment research based on advanced statistical and computer-based technologies. This will be available both to major institutional clients and in-house. As team head the brief is to develop and direct the analysis and research functions, market research products in the City and elsewhere and to be responsible for overall management and control. This is a key post and reflects a major strategic investment by the firm.

Candidates will be highly-educated, probably possess an MBA and possibly a professional accounting qualification. Experience of financial analysis and appraisal and/or business strategy gained in management consultancy, merchant banking, venture capital or the investment institutions is essential. The appointee will also have situational management skills of a high order. A record of sustained achievement to date is an additional prerequisite. This appointment represents an outstanding opportunity for the able and ambifious.

For full job description write in confidence to Mark Lockett at JC&P, Sclection Consultants, 104 Marylebone Lane, London W1M 5FU showing clearly how you meet our client's requirements, quoting ref. 9119/FT.

● ● ● John Courtis and Partners ● ● ●

quoting ref. 296, at 39/41 Parker Street, London WC2B 5LH. A graduate with an MBA, you must have proven experience of implementing

A member of the Addison Rige PLC group

Financial Planning

and Analysis

Michael Page Partnership International Recruitment Consultants

London Windsor Bristol Birmingham Manchester Leeds Glasgow Brussels NewYork Sydney

Unit Trusts – Major New Launch Marketing Executive to £25,000 basic City Based

Our client is a subsidiary of one of the world's most prestigious banking

This new appointment will principally involve selling to your existing professional intermediary connections, whilst becoming increasingly involved in marketing, advertising and new product development. Your success will assure your progression into management.

Aged between 25 and 35, you must

+ bonus + car

The excellent banking benefits package includes a generous mortgage subsidy, non contributory pension, bonus and car.

have thorough relevant experience and a proven sales track record, probably gained within a major unit trust group and operating in the Home Counties.

family medical cover, free life assurance,

To apply, please telephone or write to Fiona Law, quoting Ref: 9901.

International Search and Selection

HongkongBank Limited (X)

Corporate Finance

HongkongBank Limited is the European merchant banking arm of the HongkongBank Group. Recent business expansion has created opportunities in our Corporate Finance department.

We invite applications from ambitious graduate chartered accountants, preferably aged 24-28, who would like to make their career in corporate finance.

Salaries will be attractive and the package will include normal merchant banking benefits.

Applications, including full personal and career details, will be treated in strict confidence and should be sent to: C. E. Fiddian-Green, HongkongBank Limited, Wardley House, 7 Devonshire Square, London EC2M 4HN.

What would Aneurin Bevan say?

This South London Teaching Authority is undergoing fundamental changes and our shift in service priorities has resulted in a range of key objectives being identified to ensure the services provided reflect the needs of the local community.

Our new sentor management structure will require individuals with highly developed management and interpersonal skills, from the public or the private sectors, committed to accepting personal responsibility for achieving on effective and efficient health care service. Something Aneurin Bevan would surely opprove of.

Head of Corporate Planning c£24,000

Your main role will be to develop corporate planning techniques, policies and information systems to enable the Authority to determine future requirements and plan new services and capital developments. This will involve convincing existing management of the need to re-think priorities for health care provision and the future use of its land and buildings. You will also have overall responsibility for co-ordinating the development of computer services and for the works and estate management functions.

You should be professionally qualified and have gained at least 5 years senior monagement experience induding strategic planning. Please quote Ref FT/CP1.

Head of Financial Services

Moin oreas of responsibility include maximising the Authority's annual budget of £69m and developing financial policy, information and budgetary systems to ensure effective control of resources. A key task will be the introduction of management budgeting.

An occountancy qualification is essential, together with at least 5 years' broad based experience at senior management level. This experience must have embraced modern financial and management accounting techniques in o multi-disciplinary organisation. Please quote Ref FT/FS2.

A comprehensive information package is available from Mr.J.M. Pollard, Personnel Administrator, Comberwell Health Authority, King's College Hospital, Denmark Hill, London SES 9RS. Telephone 01-274 6222 extension 2755/2756. Please quale appropriate reference. Informal enquiries will be welcomed by Mr.J.W.Collinson. District General Manager on the above number,

extension 2729. Closing date 7th February

HEALTH' AUTHORITY

A major

International Bank

Is expanding its correspondent banking group and is looking for marketing officers with at least three years' calling experience in the Middle East, Asia or Europe. Based in London, travel is estimated at 12-16 weeks per year.

Competitive salary and usual banking benefits. Please apply with full co to: Mike Pope & David Patten Partnership 214 Bishopsgate, London EC2

CAREER OPPORTUNITY

Quick-thinking exceptional person needed to join the team at the start of a new venture using a well-established successfut company as its springboard. Full training and support will be given but you must be essentially a self-starter. Applications are invited from graduates aged 25-30 with a working knowledge of the City.

You should be a good judge of people, have the confidence to project your personality in a marketing role, and highly articulate on paper. This is an opportunity to use your wideranging talents and be directly rewarded for your individual

Please apply with full curriculum vitae and a contact daytime telephone number to Box A0030.
Financial Times, 10 Cannon Street, London EC4P 4BY



GERMAN-SPEAKING BANKER?

JONATHAN WREN INTERNATIONAL OFFERS YOU THE CHALLENGE OF BECOMING AN

INTERNATIONAL BANKING RECRUITMENT CONSULTANT

- TRAVEL - MARKETING - BANKING - HIGH INCOME - JOB SATISFACTION -

We are a leading overseas banking recruitment consultancy and have recently recrutament consultancy and have recently established offices in Sydney and Hong Kong with further expansion planned for 1986. Our corporate style encourages a team effort in a friendly, stimulating and professional environment and our clients are among the top-ranking banking institutions in Europe, the Middle and Far East end Australesia. East end Australasia.

To complement the development of our global network and to meet the increasing demand for our services, we are seeking to recruit two additional, highly-motivated consultants for our European team based in London who will concentrate on the recruitment of banking executives in German-speaking Europe. We would also be interested to hear from candidates who may not have the required language ability but would like to be considered for similar positions within tha Company.

To develop new relationships and maintain our existing ones in Germany, Luxembourg and Switzerland, you must have total command of the German language and an understanding of the

business climate. Ideally aged between 26 and 33, you will have sound marketing abilities and a knowledge of international banking, gained from a minimum 5 years' experience in banking or from a relevant consultancy. Obviously, good communicative end interpersonal skille are also necessary.

This is e uniqua opportunity to accept the challanges of a fast-moving, demanding rather than conventional career. In addition to an outstanding level of job satisfaction, good prospects end regular overseas travel, you may also anticipate an attractive remuneration package consisting of a base salary plus e generous performance-related bonue – potentially unlimited. On-target earnings average between £20,000 and £30,000 plus car.

Please telephone or write with full career Roy Webb, Managing Director, Jonathan Wren International Limited, 170 Bishopsgate, London, EC2M 4LX. Tel: (01) 623 1266.

Telex: 8954673 WRENCO.

London · Sydney · Hong Kong



Jonathan Wren

CRÉDIT **AGRICOLE** Crédit Agricole is a growing force in International Banking. In view of the Bank's expansion in London, applications are requested for the following positions in three Departments,

Credit Analysis/ Marketing Support

£13-16,000 (plus benefits)

Self confident, ambitious applicants of Graduate calibre are sought, aged 25-30 years, with a proven track record in Corporate analysis and familiarity with basic banking products. A good understanding of credit documentation and the necessary skills to write and present reports to relevant levels will be required, allied with a desire for progression to a

Fluency in French would be an added advantage.

Contact Richard Meredith

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HONG KONG 170 Bishopsgate, London EC2M 4LX. Tel: 01-623 1266

CREDIT CONTROLLER to £25,000 + full banking benefits

Our client is a new company, a subsidiary of a leading American investment bank, that has been established with strong capital backing to operate in the home loans market.

maintenance, credit checking and collections, which will include correspondence and liaison with solicitors, agents and borrowers. He she will also be expected to produce an accurate and timely management information package and to develop and train a small team of staff. The successful candidate will assume full responsibility for loan book

Candidates (aged 30/45) will be highly experienced and self-motivated professionale with a minimum of five years previous experience and fully conversant with all aspects of consumer credit checking, county court judgements and the law relating to property management. They must also be able to demonstrate a high level of success in their careers to date and well developed interpersonal and management skills. For further information please write with full C.V. or telephone Martin Krajewski in strictest

FIRTH ROSS MARTIN ASSOCIATES. WARDGATE HOUSE, 59A LONDON WALL, LONDON EC2M 5TP. TELEPHONE 01-628 2441

Firth Ross Martin

Financial & Professional Selection Consultants

EUROBOND TRADER

This feat growing Morchest Bank, olready involved in the FRM, YEN and ECU Markets, eachs a \$ Straights Trade; to complement an orieting two man taom. The successful applicant will have a minimum of one year's relevant experience and have the ability to make a valued contribution when this house becomes a professional Market Moker in the sext 6 months. Remuneration is dependent on the ability and potential of the individual but will semprise a besis asiary

EUROBOND TRADER

A European bank with a small but effective trading presence wish to recruit a Canadian and US Comestics Trades to sugment their satisfing capabilities. They want at least 15 months trading separance is these products as well as the ability to "position keep" for their Straights and Convertible side. The onus of this position is morn of a "Portfolio Massgamont" then of a "Market Making" type toll, but will nevertheless be of a sufficiently complex sed domanding sature to be attractive to high calibra modulations.

opplicate.
In addition we have a number of openings in Euroband or multi-currancy SALES with many of the major in addition we have a number of openings in Euroband or multi-currancy SALES with many of the major houses. Generally we are looking for a track record but we do have some openings for 6 months plus experience, specifically in the "FRN" merkets.

Should you wish to contact FTB to discuss specific opportunities, in this year of change, or generally, than do not healists to contact Stophen Dopson on 600 1211, on 0206 57955t (evenings and wookends).

FTB RECRUITMENT 128/129 Chespaide. London EC2 01-600 1211

Top Executives earning over £25,000 a year

Can you afford to waste over £2,000 a month in delay? Minster Executive specialises in solving the career problems of top executives. The Minster programme, tailored to your individual needs and managed by two or more partners, is your most effective route to those better offers, 75% of which

are never advertised. Our clients have an impressive record of success; many blue chip companies retain our services in

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INVESTMENT BANK

of our international securities business we are inviting applications from trainee dealing staff. Some Stock Exchange exdesirable. perience Please reply in strictest confidence to Box Financial Times, 10 Cannon St., London, EC4P 4BY

for further information contact

Due to the expansion

ADVERTISING

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LEADING U.S.

APPOINTMENTS

APPEAR EVERY

TREVOR PUNT

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LONDON

TOWARDS A COMMON PURPOSE AT WORK Prior to the retirement of the present Director, the Industrial Participation Association wishes to appoint his auccessor.

Established for over 100 years the Association has a special role in the industrial and commercial life of this country. Membership includes successful companies, large and small as well as leading Trada Unionists. Dedicated to amployee Involvement the Association also seeks to influence Government and EEC legislation.

DIRECTOR

Applicants must provide identifiable experience of participation policy and practice; will preferably hold a good university degree or a professional qualification. e.g. finance or law; have proven management skills, the ability to think constructively with imagination and to communicate well with other people.

Preferred candidates will already live in or near London and be aged 40/50 years.

Please write enclosing concise CV and salary expectation to:

Sir Richard O'Brien Chairman IPA, 85 Tooley Street London SE1 2QZ



INVESTMENT **OFFICER**

Major European bank is seeking an active person with research/ sales experience to promote the London Stock Market to Continental institutions.

Applicants ideally aged 25-35 and fluent in French, should have a strong personality to maintain existing contacts and expand

The post offers good career prospects. All applications will be treated in the strictest confidence.

Write Box A0024, Financial Times 10 Connon Street, London EC4P 48Y

RECRUITMENT CONSULTANTS

35 New Broad Street, London EC2M 1NH Tel: 01-588 3588 or 01-588 3576 Telex No. 887374 Fax No. 01-638 9216

A demanding appointment - scope to move up to position of information Systems Manager in 18-24 months



COMPUTER SERVICES MANAGER - BANKING

LONDON

£28,000 - £38,000 + MORTGAGE

LEADING INTERNATIONAL BANK ASSETS APPROACHING 25 BILLION

We invite applications from candidates, aged 32-40, who have acquired at least 7 years' practical operating systems experience and at least 3 years either heading up, or as the number 2 of the operating systems within a user environment in a major corporation or financial institution. Reporting will be to the Information Systems Manager. Responsibilities will cover, through a team of 30+, the day-to-day efficient running of the Bank's computer systems and the provision of systems technical support, involving the updating, improvement and maintenance of the systems software. The ability to plan effectively, manage and set commercial priorities and meet deadlines is important. Initial remuneration negotiable, £28,000 - £38,000 + car, subsidised mortgage, contributory pension, free life assurance, free family BUPA, assistance with removal expenses if necessary. Applications in strict confidence under reference CSM4395/FT, to the Managing Director: CJA.

Opportunity to establish the Euro Trading function and to head up team in 1-2 years.



SHORT TERM EURO SECURITIES TRADER

£25,000-£35,000 + CAR

MERCHANT BANKING ARM OF PRIME NORTH AMERICAN BANK

We invite applications from traders in their mid to late 20's, who must have had at least 2 years' successful Euro instrument trading experience. The selected candidate, who will head the trading function and report to the Department Manager, will be responsible for trading the following instruments: Euronotes, Euro CDs and Euro Commercial Paper. Another key aspect of this appointment will be the formulation of dealing strategies and policies for this merchant banking team.

Essential qualities are well developed trading skills plus the motivation to start up the function. Compensation by way of high basic salary and performance related bonus is likely to be in the range £25,000-£35,000 plus company car and a full range of banking benefits. Applications in strict confidence under reference EST17412/FT will be forwarded unopened to our client unless you list companies to which they should not be sent in a covering letter marked for the attention of the Security Manager: CJRA.

Key appointment for self-motivated, results orientated credit controller Scope for increased responsibilities and career development abroad.



CREDIT AND COLLECTIONS MANAGER

S.W. LONDON

£18,000-£24,000 + CAR

FINANCIAL SERVICES SUBSIDIARY OF A LEADING US MULTI-NATIONAL

Expansion means that our client now invites applications from candidates, aged 30-45, who are members of the Institute of Credit Management with at least 8 years' demanding and significant credit and collection experience, of which 3 years will have been spent in a management role. As collections are for both international and domestic markets, a thorough knowledge and experience of European and Middle Eastern collection instruments is essential. The successful applicant will have full responsibility for the management of an effective collection service for £15-20 million of receivables from approximately 2,500 accounts using an on-line real time system. Of key importance is the ability to motivate a team of up to 10 staff, setting their targets and measuring their performance. Other aspects of this appointment are: UK representation on the company's European Receivables Council (requiring some European travel); providing professional and appropriate recommendations on actions to be taken with difficult accounts; chairing monthly review meetings at all group companies. Initial salary negotiable £18,000-£24,000, plus company car, contributory pension, free life assurance and removal expenses if necessary. Apoplications in strict confidence under reference CCM17425/FT will be forwarded unopened to our client unless you list companies to which they should not be sent in a covering letter marked for the attention of the Security Manager: CJRA.

Prospects for further responsibilities particularly with the growth of traded options.



CITY

SETTLEMENTS - FINANCIAL FUTURES/ EQUITIES/BONDS

£12,000-£15,000

FURTHER EXPANDING CLEARING AGENCY OPERATION OF FOREIGN BANK

Applications are invited from candidates, aged 25+, who must have had significant settlements experience either with a stockbroker or other financial institution, including 2 years in UFFE markets using the 'Classic' system. The selected candidate who will report directly to the Managing Director, will be in a key position to develop this important function within a small but expanding environment. Initial salary negotiable £12,000-£15,000, BUPA, season ticket loan and other

This same bank also seeks two further settlements specialists: one for the INTERNATIONAL BONDS area (Ref. SIB17427/FT) and one for INTERNATIONAL EQUITIES (Ref. SE17427/FT). For both appointments salaries will be specially tailored and in the Equity area there is scope in due course to develop into sales.

Applications under the appropriate reference above will be forwarded unopened to our client unless you list companies to which they should not be sent in a covering letter marked for the attention of the Security Manager: CJRA.

35 NEW DROAD STREET, LONDON ECZIA 1181. TELEPHONE: 01-588 3588 w 01-588 3576. TELEX: 887374. FAX: 01-638 9216

ORGANISATIONS RECORDING ASSISTANCE ON RECRUITMENT, PLEASE TELEPHONE 01-628 7539

THE ROYAL LONDON THE KOYAL LONDON UNIT TRUST MANAGERS LIMITED

REGIONAL SALES EXECUTIVE **UNIT TRUSTS**

MANCHESTER, THE NORTH AND SCOTLAND

We are a rapidly expanding subsidiary of one of the major insurance companies. Over the past few years we have established a reputation for first class investment performance. Professional Intermediaries already account for a high proportion of our sales.

We are seeking an executive to actively promote our range of unit trusts to stockbrokers, unit trust advisers, insurance brokers, solicitors and accountants throughout the North of England and

The remuneration package reflects the importance of this appointment and includes egenerous salary, performance bonus, car, subsidised mortgage facilities and a non-contributory pension.

In return we are looking for: * A first class understanding of the investment

Strong personal motivation

* The ability to express yourself clearly, unambiguously and with assuredness

Please write, in confidence, giving details of your qualifications and experience to: R.J. Harwood, Unit Trust Manager,

The Royal London Unit Trust Managers Limited, Royal London House, Middleborough, Colchester, Essex CO1 1RA. Tel: Colchester (0206) 44155

SENIOR FINANCIAL MANAGER

Responsible for overall management of financial reporting, control and analysis for major US bank involved in commercial lending, Foreign Exchange, Money Market and, through its affiliate, Euro Securities activities. It is essential that candidates, aged 30 to 35, have management experience and a strong knowledge of and experience in US and UK regulatory and

Remuneration negotiable and competitive.

Please write enclosing Curriculum Vitae to Box A0027, Financial Times, 10 Cannon Street, London EC4P 4BY

Accountants for **Management Consultancy**

London

We are one of the leading international management consultancies; we are now looking for further first class consultants and analysts for our financial management practice in the UK and

For consultant positions, successful candidates will be qualified accountants aged 28 to 35, with an honours degree, who can demonstrate proven

achievement in industry or commerce. Experience must include responsibility for systems development as well as line management in the finance function. Personal qualities will include the ability to communicate clearly both orally and

For analyst positions we are interested in hearing from less experienced people over 26 who otherwise meet the profile indicated above

We offer outstanding opportunities to broaden your experience in a wide

Salary to £25,000 + car

variety of industries and to work with stimulating colleagues from a number of disciplines. There are excellent opportunities for promotion within Peat Marwick for those who wish to pursue a career in consultancy. Of particular interest to us at the moment are people with experience of the manufacturing, retail, distribution and oil industries, or of treasury management.

If you are interested in joining our London office and working with us in the UK or overseas, please write in confidence, enclosing a brief summary of your qualifications and experience, and quoting reference A/JA/86, to Mike Coney at Peat, Marwick, Mitchell & Co., 1 Puddle Dock, Blackfriars, London EC4V 3PD.

PEAT MARWICK

FINANCIAL DIRECTOR (DESIGNATE)

Age 30-35

qualified chartered accountant who is looking for advancement in their career, who is probably next in line to the financial director of a successful public company and is looking for their next step. The successful applicant will be energetic, excited by challenge and have full knowledge of the duties of a company secretary. Excellent package of pay and conditions and removal expenses will be considered.

Apply in writing to: The Chairman and Managing Director, The ELS Group of Companies,

Thomas House. Prescot Road, St Heleus, Merseyside WA10 3XB

Corporate Financial Services

Tiphook plc

Tiphook pic, following its recent flotation, is seeking to fill two new key appointments in the Corporate Financial Services' team based in Bromley, to assist in the planned expansion of the group.

Group Financial Controller c.£25,000 + car

Applicants should be qualified chartered accountants aged around 35 and must be able to demonstrate a strong commercial flair.

Reporting to the Group Finance Director, the successful candidate will assume responsibility for all aspects of the group financial accounting and taxation functions, as well as the development of group management information.

A major part of the duties will also involve investigations into possible acquisitions and investment appraisals, using sophisticated financial modelling techniques.

Data Processing Manager c.£17,500 + car

Applicants aged around 28, should have 2 years' data processing experience and possess strong personal communication skills, in order to deal effectively with users at all levels.

Reporting to the Information Systems Manager, the successful candidate will be responsible for the day to day running of the group's IBM System 36 installation and will also be heavily involved in computer systems' development within the group. This includes development of the worldwide communications network and management information and financial modelling applications. applications.

Candidates should write in confidence, enclosing a comprehensive C.V. to: A. B. G. West, Group Finance Director, Tiphook plc, Chelsea House, 26 Market Square, Bromley, Kent BR1 1NA.

MANAGER FINANCIAL ACCOUNTING

Major International Oil Group

Central London

Our client is the UK subsidiary of a leading International Oil Group, whose continuing success is the result of an extensive programme of oil and gas exploration combined with

Based in their prestigious Wast End headquarters, this is a key management appointment reporting directly to the Head of Corporate Accounting. You will be fully responsible for the control and operation of the Company's financial accounting function, the quality and accuracy of financial reports and accounts prepared to tight deadlines, and the supervision, direction and development of an experienced accounting

to £20,000

The company uses sophisticated and well established computer-based accounting systems, and therefore cendidates, who will be qualified accountants, pro aged 28-36 will have had experience of highly-developed computer systems, together with evidence of excellent people-management and technical accounting skills gained in a progressive, possibly international, business environment,

This important appointment commands an excellent salary and large company benefits package, and offers the style of career prospects normally associated with major International Groups. For a detailed and confidential discussion, call Paul Goodman on 01-387 5400 (out-of-hours 01-954 5242) or write to him at:

FINANCIAL SELECTION SERVICES

DRAYTON HOUSE, GORDON STREET, BLOOMSBURY, LONDON WC1H OAN TELEPHONE: 01-387-5400

Finance Director

Board appointment with new international company. c£30,000 + car London

We have been retained by a newly formed, progressive shipping A systems specialist, probably aged 28-35, with an consortium to recruit a highly motivated and assertive Finance international background, you will be graduate calibre with a Director to join their dynamic management team from inception. Initiated by 4 Scandingvian shipowners, the company is responsible for the management and operational efficiency of a substantial international container fleet. Turnover is projected at c\$300m and it is expected that the company will become a major force in the world container leasing market with a network of overseas offices.

Utilising a highly sophisticated EDP and communications network, the Finance Director will be required to set up all necessary systems to manage the business effectively including tight budgetary control, international cash

management and management accounting procedures.

recognised accountancy qualification and/or MBA. The ability to develop long term banking relationships and operate effectively in a UK tax/legal environment is essential. Previous exposure to equipment finance/leasing would be an advantage. You must be a self storter, essentially with a "hands on" approach and have the flexibility and insight to troubleshoot in a international capacity: travel to overseas locations will therefore be required.

If you feel confident of meeting the demands of this challenging appointment, please write, enclosing a comprehensive C.V., quoting ref. 297, to Ken Proctor, Executive Division, 39/41 Parker Street, London WC2B 5LH.

Michael Page Partnership

International Recruitment Consultants London Windsor Bristol Birmingham Manchester Leeds Glasgow Brussels New York Sydney A member of the Addison Page PLC group

Accounting Manager A unique 'start-up' challenge

An international engineering and design company, in the process of setting up a major engineering division in South West London, is now establishing the first tier of management for this important new investment. This creates an opening for an accomplished Qualified Accountant to take up the created post of Accounting

Responsible for the initial set-up of accounting systems and then for their on-going maintenance, there will be involvement with the whole spectrum of accounting activities; general ledger, project accounting, financial reports, supplier invoices, regulatory reports, taxation reporting, office payroll and office budget. Reporting directly to the Managing Director, the position will represent the most senior accounting post within the division and will entail extensive financially related support

A qualified ACA/ACCA/ACMA, probably aged at least 30 in order to have sufficient experience for the responsibility, you will also possess the proven management ability to build an accounting team beneath you and benefit from the unique career development this 'start-up' challenge offers.

Assuming you can demonstrate the necessary qualities, a salary to match your present level will be offered together with the expected benefit Please write with full career details to John Wilson, Santa Fe (UK) Ltd., Parnell House, 19-28 Wilton Road, London SWIV ILZ.

Santa Fe (UK) Ltd

Business Systems Manager

Swindon, Wiltshire

c.£20,000 + car

Our client is a major high street organisation which is a leader in its marketplace and intent upon continual improvement in its operational performance. It is a key subsidiary of a very substantial, publicly owned UK industrial group.

The finance director wishes to appoint a qualified accountant to assist him in all aspects of the application of financial control within the company and in the use of information technology resources. This position has substantial indirect staff responsibility through various functional managers. It is regarded as a key part of the financial/administrative function and is likely to lead to career development in either finance or seperal management within the graph. finance or general management within the group.

Applicants should be qualified accountants whose experience encompasses the development and management of financial control systems and information centre technology. There will be substantial liaison with senior company management on

Please address brief personal and career details to Douglas G Mizon quoting reference F/876/M at Ernst & Whinney Management Consultants, Becket House, I Lambeth Palace Road, London SE1 7EU.

Ernst & Whinney

The state of the s

Chief Accountant

Directorship Prospect

£23,000 plus car

A profitable and growing London-based subsidiary of a significant pic, our client manufactures and distributes consumer goods in a highly competitive market sector in which it enjoys powerful standing. Turnover in 1986 should be about £8m. The person appointed will join a lively top management team, and will report to the Chief Executive. There is a firm prospect of a Board appointment.

Accountabilities will cover the financial management spectrum: there will be ample opportunities for impositive development. The successful candidate's previous experience in manufacturing industry - preferably in consumer goods - will have included significant computer systems and management accounting involvement. An accountancy qualification is essential age indicator - probably 30's. Relocation assistance would be available.

Please write - in confidence - to P. Beinbridge ref. B.17447.

This appointment is open to man and women. HAY-MSL Selection and Advertising Limited 52 Grosvenor Gerdens, London SW1W QAW.

FINANCIAL SERVICES

Divisional Management Accountants Qualified Accountants

Central & West London, Up to \$20,000

Our client, a major engineering organisation with interests in civil and electrical engineering, is seeking to strengthen its management and financial accounting functions at divisional level in order to improve efficiency and its competitive edge.

It is seeking to recruit a number of high calibre senior management accountants who, as part of a divisional management team, will provide effective support and financial advice in an environment where demanding financial targets are being set.

If your technical ability, commercial acumen and communication skills match your commitment to success contact:

A.T. Matthews, Ref: 308/FT. Tel: 01-409 2766. Hoggett Bowers plc, 1-2 Hanover Street, LONDON W1R 9WB.

Financial Director

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Financ

(Designate)

NORTH LONDON

An expanding and profitable electrical engineering company, a major subsidiary of a public company, wishes to appoint a commercially orientated qualified accountant as Financial Director Designate. The successful applicant will be responsible for the total financial control of this diversified business and will report to the Company's Managing Director.

The remuneration package is negotiable around £20k per annum plus car and includes the normal benefits appropriate to this senior

Applications which are in confidence, should include full career details.

Please write initially to:

G. R. Brown. Eleco Holdings PLC. Belcon House. Essex Road, Hoddesdon, Herts EN11 0DR.

Hoggett Bowers plc

Young Accountants **Must Read This** Hoggett Bowers pic, long recognised for its outstanding success in the field of Executive Search and Selection, has

success in the field of Executive Search and Selection, has now opened an office in the City to serve the accountancy profession and the financial services industry.

The consultants have been hand-picked for their experience within these fields and provide career advice and contacts which are second to none. They also work closely with our national network of offices which serves the profession and all sectors of industry and commerce country-wide. Whatever your requirements, if you are qualified or about to be so, you should telephone or write to Rupert Terry and find out what we can do for you.

01-588 4305 Moorgate Hall, 153/157 Moorgate, LONDON EC2M 6XB.

Recruitment Consultants



Financial and business development director

London, c £40,000, plus substantial profit share



3 8 2 2 2

1

For a highly successful, long established £60m turnover consumer products group, a frequent Queen's Award winner with substantial export markets. The balance sheet is strong and adequate resources are available for business development through acquisitions and organic growth.

Reporting to the Chairman you will be responsible for the entire financial function and for developing and implementing the company's expansion and diversification plans.

Aged from 35 your post-qualification experience should include a period spent in marketing oriented international companies and at least three years' in the FM.C.G. sector, preferably at controller level. On the business development front the requirement is for a good record in identifying and evaluating acquisition opportunities, negotiating and liaising with vendors and professional advisers and in handling the day to day practicalities of absorbing new acquisitions into a group. This is not a large company and interpersonal skills of a high order both in and out of the boardroom will be of the essence.

Terms need not be a limiting factor.

Résumés including a daytime telephone number to Michael Pring, Executive Selection Division, Ref. P438.

Coopers &Lybrand associates

Coopers & Lybrand Associates Limited management consultants

London EC4Y 8AX

Young Chartered Accountant

London £18,000 + car etc

The parent company of a large and diversified international financial services group in the forefront of developments taking place in the City wishes to recruit a young and ambitious chartered accountant to assist the Group Financial Controller In carrying out his responsibilities and duties.

Working closely with the Group Financial Controller, the successful applicant will be part of a small Head Office team involved in the production of timely, orderly and meaningful management information.

Applicants must be young, career minded chartered accountants offering distinct analytical ability currently working in the profession or in a

group head office function. In addition to salary car and other benefits the position will offer excellent experience in a highly sophisticated environment plus

realistic prospects for further advancement in the Group.

Candidates can make application by quoting MCS/7178 and requesting a Personal History Form from Michael R. Andrews **Executive Selection Division** Price Waterhouse **Management Consultants**

Price Waterhouse



ACCOUNTANCY APPOINTMENTS APPEAR

EVERY THURSDAY

Southwark Towers

London SEL 9SY

32 London Bridge Street:

FINANCE MANAGER

Our client is the profitable subsidiary of a major British electronics group. The Management Accounting Executive will play a vital role in advising operations management. Managing a large staff, key responsibilities will include business planning, forecasting, budgeting, investment appraisal and management reporting. Suitable candidates, aged 27-32, will be qualified accountants with demonstrable success within a major order. Ref. 16. aged 27:32, will be quained second success within a major group. Ref: JG. £23,000+Car

PUBLISHING

Our client, a substantial publishing group, continues to expand both organically and through acquisition. An outstanding career opportunity exists for young accountant with controllership potential. Managing a small staff, this key appointment is responsible for the review and interpretation of monthly management information, business analysis etc. Suitable candidates, aged 28-32, will be qualified accountants possessing commercial awareness, an analytical approach and excellent communication skills. Ref. JG.

c.£20,000+Car C. LONDON **FINANCIAL SERVICES**

This substantial unit of a US insurance group, with interests in the UK and overseas, requires a young Chartered Accountant with an insurance background to take on a developmental role. The Operations Accountant will be engaged in monthly reporting, together with a blend of claims, premium and treaty accounting and will enjoy considerable interface with the underwriting department. Additional responsibilities will include systems development and the management of eight staff GB. bilities will include system. ment of six staff. Ref: GR. £22,000+Car

Strategic -Financial Analyst

C£24,000

This is on opportunity to join the headquarters staff of a large multi-national manufacturing and construction Group based in Central London. The analyst is required for a small department, working at Finance Director level on the

Group strategic plon, acquisitions, divestments and the review of operating performance.

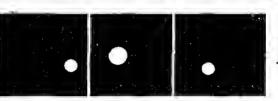
Applicants should have a floir for both strategic and financial analysis, caupled with the ability to communicate. An MBA and/or relevant experience in a major group is important. Age guideline-laté 20's.

Please reply in confidence, quoting ref. L213, to:

Brian H Mason Mason & Nurse Associates 1 Lancaster Place, Strand London WC2E 7EB Tel: 01-240 7805

Mason & Nurse

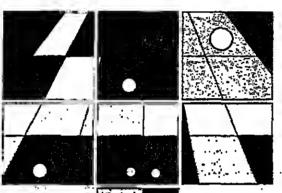
Selection & Search



Opportunities in Information Technology

MANAGEMENT ACCOUNTANT

£17K + Benefits package



BIS Banking Systems is a well established international company enjoying market supremacy within one of the largest growth areas of the software industry - International

A unique opportunity has arisen for a young professional to join the current accountancy team to play a major role in the further development of our accounting and reporting systems. In addition, the position offers some possibility of overseas travel, Previous experience within the high tech. industry is not essential although

a knowledge of the IBM PC and/or System 36 would be useful. If you are either ICMA or ACCA qualified, over 25 years of age, able to demonstrate good communications skills and possess the ability to build personal relationships with senior members of staff, then we suggest you call Trisha Robinson on the number below, to discuss this challenging position further. Respond to: Trisha Robinson.

BIS Software Ltd., York House 199 Westminster Bridge Road, London SE1 7UT. Tel: 01-928 3551.



BIS Software Limited BIS SYSTEMS SYSTEMS

WITHTHE MEDAS TOUCH

GEC Hong Kong

GEC Hong Kong represents the trading interests of the GEC Group in Hong Kong and is also a specialist electrical and mechanical contractor. About 500 people are

Applications are invited from qualified Chartered Accountants in their mid-30s to mid-40s to succeed the present Finance Director who is moving to another position.

Experience in trading or project work is needed. Applicants must be capable of applying firm financial control and contributing to the profitable running of the business. in a challenging environment. Expatriate terms will apply.

FINANCIAL CONTROLLER

ideally candidates will be qualified chartered accountants,

aged under 40 and have experience of computerised cost-critre costing, job costing and fully-integrated computerised firancial accounting, preferably gained in an engineering or manufacturing em ironment.

Company pension and sickness schemes are in addition to the negotiable salary. Assistance with relocation expenses will

> RONALD BRIDGES ASSOCIATES MANAGEMENT AND EXECUTIVE SELECTION

Suite 1, 32 Arundel Road, Eastbourne, East Sussex 8x21 2EG

tarial function.

be given if appropriate.

Please write with full CV to:

Written applications, with detailed C.V. in confidence to:
The Director of Overseas Operations The General Electric Company pic 1 Stanhope Gate London WIA 1EH

Financial Director

South West London

Our client is a successful, long established motor group based in South West London with a turnover of £15 million. Recent years have seen rapid growth in volume and profitability and the group has now embarked upon an exciting new period of development which will include acquisition and diversification. The need has arisen for an experienced manager to join the group as Financial Director with immediate effect.

The role will encompass all accounting, financial, computer and company secretarial aspects of the business. There will be considerable involvement with the Group Chairman in shaping the commercial development of the organisation. A qualified accountant, preferably

c£25,000 + car + bonus

aged 30-45, you will have had broad-based accounting and computer systems experience. Candidates must be able to demonstrate drive and initiative with a genuine commitment to the further success of the group. An assertive but not abrasive style will be important within the energetic top management team.

The generous salary package will include a fully expensed executive car, profit sharing and options as well as a very good range of extra

Interested applicants should write to Nigel Bates FCA, Executive Division, enclosing a comprehensive C.V., quoting ref 299, at 39-41 Parker Street, London WC2B 5LHL

Michael Page Partnership

International Recruitment Consultants London Windsor Bristol Birmingham Manchester Leeds Glasgow Brussels New York Sydney

A member of the Addison Ruge PLC group

Our client is engaged in the manufacture of high quality, custom built capital equipment for the petroleum, chemical and process industries. An experienced Financial Controller is now required for the main office and factory pleasantly located in West Sussex. Reporting directly to the Managing Director the successful candidate will be responsible for all financial and management accounts of the total company as well as the Company Secre-

Executive Search and Selection Consultants NGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, SHEFFIELD and WINDSOR

Group Treasurer

Service Industry, Central London,

£23,000, Benefits

Our client, because of dynamic and necessary changes, needs to recruit a Treasurer with the self motivation to identify and introduce control

procedures for all cash matters.
Once established the duties will include responsibility for the department consisting of 4 support staff and the smooth running of the cash and banking function. Perhaps the most important aspect of the position would be to investigate and introduce computer systems to guarantee the most effective use of cash. Proposals for change would be accepted and implemented.

The successful applicant will be a qualified Accountant with at least 3 years experience as a Treasurer and someone who has clearly demonstrated the ability to envisage and make changes as they become

Male or female candidates should submit in confidence a comprehensive c.v. or telephone for a personal history form to A.T. Motthews, Hoggett Bowers plc, 1—2 Honover Street, LONDON W1R 9WB 01-409 2766 quoting Ref: 307/FT.

Unique Opportunity for Young ACA

Up to £18K City + International Travel

This is an exceptional opportunity for a young ACA to join an international organisation as an Accounting Consultant.

Specialising in the field of investigative auditing for the insurance industry you will be based in the City and would enjoy significant worldwide travel. Each assignment is varied and interesting enabling you to develop your analytical, professional and com-

initially working on joint assignments you will quickly be given every opportunity to develop your knowledge and you will ultimately be involved in the development of future work for the international practice. Starting selary will be up to £18K plus a negotiable benefits package.

Above average accountants with initiative and who are eager to develop their profes-

sional skills should contact Phil Bainbridge, Selection Consultant on 01-730 0833 or write to him - quoting ref. B.35012.

> This appointment is open to men and women. HAY-MSL Selection and Advertising Limited, 52 Grosvenor Gardens, London SW1W QAW.

FINANCIAL SERVICES

FINANCIAL DIRECTOR

Age 30-40

£25,000 + Car

IPSWICH

A private group of companies whose activities include manufacturing of equipment for the oil industry. UK distribution of commercial trailers and tankers and industrial property investment, require an experienced qualified Accountant.

The successful candidate will be expected to work closely with the

Chairman in determining the Group's future expansion.

The job is broadly based but with the emphasis on monitoring subsidiaries' performance, carrying out ad hoc investigations, reviewing the effectiveness of management information, financial appraisal of perturbial acquisitions and come expressions where potential acquisitions and some systems work.

Applicants should have had several years experience in industry in a senior financial position.

Please write with full career details, quoting ref: CT/HIH, to Andrew Strickland FCA, Grant Thornton, Crown House, Crown Street, Ipswich IP1 3HS.

ACCOUNTANCY APPOINTMENTS ADVERTISING

f41 per single column centimetre and £12 per line Premium positions will be charged £49 per single column centimetre For further information call LOUISE HUNTER on 81-248 4864 TREVOR PUNT on 01-236 9763

Taxation Manager Banking

Age 26-32

Our client, a major international bank, will shortly appoint a Tax Manager to its European Division Headquarters in London as a result of promotion to their Head Office.

Responsibilities include:

** Tax planning for the European Division in conjunction with Head Office * Designing and promoting tax based products for the bank * All aspects of contact with raxation authorities The bank considers the tax manager to be an important

member of the business team and the appointee would be expected to contribute to the decision making process.

MANAGER INTERNAL AUDIT

will be given where appropriate, Ref: 531/FT.

As a qualified accountant your experience will

commercial environment. The preferred age range is early thirties and we are offering a salary of c. £20,600 plus large Company benefits which include a car, BUPA and overseas travel allowances. Relocation assistance

include a spell with a major audit firm followed by a number of years in Intarnal Audit in an international

£27,000 + car and benefits

The ideal candidate will have had at least three years' postqualification experience in the taxation department of a major accountancy firm where he she would have dealt with the affairs of international banking clients. Alternatively, lates may come from a tax department of an internationa bank. Salary will be regotiable depending upon experience, and will include the attractive fringe benefits associated with.

Please apply to Jock Courts, Career Plan Ltd., Chichester House, Chichester Rents, Chancery Lane, London, WC2A IEG, tel: 01-242 5775.

plan

Personnel Consultant

JDITING ISN'T

Well, at least not in Cable and Wireless, the world leader in international telecommunications operating in 60

Countries.

Due to internal promotion and increasing Company demands there are new openings within our Internal Audit function for experienced audit professionals willing to undertake extensive overseas travel to our many business locations. These are excellent opportunities to gain rapidly a broad knowledge of this highly successful Company and could lead to significant career prospects within the mainstream finance functions.

For both these positions, the successful candidates will be highly competent, self-motivated people, able to accept considerable autonomy and responsibility and who can demonstrate good interpersonal skills and management experience. A knowledge of computer based accounting systems is desirable.

Please send full CV, quoting the appropriate reference, to: Recruitment Manager, Cable and Wireless plc.

Mercury House, Theobalds Road, London WC1X 8RX or telephone for an application form on 01-405 4980

Cable and Wireless

INTERNAL AUDIT SENIOR

appropriate, Ref: 533/FT.

With one year's post qualification experience with a

major professional audit firm you will be aged 25-30 and eager for a career in a commercial environment.

We are offering a salary of c. £17,000 and associated large Company benefits including overseas travel allowances. Relocation assistance will be given where

Finance Director

East Midlands

c£22,500 + car + bonus + share options

Our client is Pentos Home and Office Products Group Ltd., a division of the Pentos Group. Trading under the name of Caplan, the company is a successful, expanding manufacturer of office furniture.

A Finance Director is now sought to assume full responsibility for the finance function. Working closely with other members of the senior management team your brief will encompass the co-ordination of statutory and internal managerial information, cost control, the management of funds, acquisition analysis and the further development of computerised systems. The incumbent will also be expected to play a leading role in the general administration of

As a qualified accountant in your 30's with an exceptional track record in a manufacturing environment, your commercial expertise will enable you to make a substantial contribution to the company's long term plans and corporate strategy. In return, the company can offer outstanding career prospects, an attractive salary package including an executive car and relocation costs where appropriate. If you feel capable of meeting the demands of this exciting, challenging role please write to Dean Gollings, Executive Division, enclosing a comprehensive CV quoting ref. B6197, at Bennetts Court, 6 Bennetts Hill, Birmingham B2 5ST.

Michael Page Partnership International Recruitment Consultants

London Windsor Bristol Birmingham Manchester Leeds Glasgow Brussels NewYork Sydney

Exceptional opportunity development opportunity

Young Financial Manager

Thames Valley mid-20s c.£20,000

Mars Confectionery has a record of profitable growth which has made it the leading manufacturer in the UK's biggest packaged-goods market. A key factor in maintaining this impressive commercial success continues to be the eness of our financial management and controls.

Following an internal promotion, this challenging poportunity has orisen for an outstanding young accountant to join our highly professional team. Initially, responsibilities will include the preparation of financial plans and forecasts, together with responsibility for the financial performance of a group of our brands. Significant involvement with all areas of the business is expected together with the ability to contribute to the success of the company's overall financial management. You must therefore be capable of expanding the horizons of your role, influencing the business, and gaining acceptance for your ideas.

A qualified accountant in your mid-20s with a good degree, you will already be able to demonstrate an impressive record of achievement — gained either in industry, or in the profession — and you are now looking to broaden your experience in a fast-moving business environment.

First-year earnings of around £20,000 (in a range rising to £28,000) will be backed by a comprehensive noncontributory benefits package including relocation assistance if appropriate. Success in this stimulating role will lead to excellent prospects for further career advancement — not necessarily restricted to financial management — within Mars Confectionery or other Mars Group companies in the UK or

Please ring or write for an application form to Rob Sawyer, Management Development Manager, Mars Confectionery, Dundee Road, Slough, Berkshire SL1 4JX. Tel: Slaugh (0753) 23932, ext. 4645.



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Key Financial Roles Maidenhead, Berks.

Ashton-Tate is recognised as a pioneer in the development and marketing of business software and is now one of the largest microcomputer software companies in the world. The group has exciting plans for growth and now seeks additional financial expertise:

Financial Director (designate)

c.£23,000 + car + share purchase scheme

Reporting to the Managing Director with full responsibility for all financial/ management accounting, the continued development of computerised systems and internal controls are key tasks. For this high profile role, we seek a highcalibre qualified accountant, probably aged late 20's/mid-30's with sound commercial experience and an appetite for hard work. The person appointed will have a strong influence in company

European Financial Analyst

c.£17,500 + benefits + share purchase scheme

Responsibilities in this new career appointment will include developing timely and accurate management information, analysis and consolidation of financial statements, profit planning and implementing a forecasting system within Europe. Some foreign travel will be involved. Management Consultants The position will appeal to a young, qualified Thames Court, 1 Victoria St accountant or MBA with a high degree of ambition.

If you are keen to contribute to the success of a fast-growing, marketingdriven company, please write in confidence enclosing full CV and quoting reference MCS/2025 to Milton Ives, **Price Waterhouse**

Windsor Berks SL4 1HB

Price Waterhouse



MONTAGU, LOEBL, STANLEY & CO. (STOCKBROKERS) FINANCIAL CONTROLLER

We require a qualified accountant to succeed our financial controller who retires in April.

The successful candidate will be responsible to the Chief Executive for management controls, Stock Exchange returns and must be familiar with computerised accounting and systems.

The position carries management status and for the right person rapid promotion in an expanding business. Montagu, Loebi. Stanley & Co. will become a subsidiary of the Save & Prosper Group in April 1986.

The remuneration package which will be attractive, will be subject to negotiation. Please reply in confidence to:

Mr R. A. D. Froy, Montagu, Loebi, Stanley & Co., 31, Sun Street, London EC2M 2QP **ACCOUNTANCY** APPOINTMENTS

APPEAR EVERY

THURSDAY

for further information

contact

01 248 4864

Return to the Profession

Financial Controller

c. £25,000 + Car

Continuing expansion of our firm (70 partners in 15 UK offices) increases the responsibilities and demands placed upon our Financial Controller.

To the requirement for production of management and financial accounts, budget preparation and leading a small Accounts Department team, is added a demand for advice, interpretation and recommendations to the managing partner.

The successful candidate is likely to be in his/her early 30's, professionally qualified with relevant experience probably gained in a Group situation. Interpretative ability, lucid thinking, results orientation and energetic approach are the keys to success in this position.

Please apply in writing with a concise CV to:-

Penny Alison (Miss), Director of Personnel, Robson Rhodes, 186 City Road, London EC1V 2NU.

ROBSONMAHODES

GHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, SHEFFIELD and WINDSOR

Career Opportunities with a Major British Group For 2 Young Qualified Accountants North East, Initially to \$14,500

Reorganisation and internal promotion within a major division of a leading British quoted group, has created a requirement for 2 high calibre young qualified accountants. Each will be assigned to a specific business unit within the division, which is engaged in the manufacture of quality branded consumer products for competitive markets. Prims emphasis is on the day to day management of a specific finance function, requiring the preparation and interpretation of detailed management accounting information with full supporting and variance analysis, to exacting deadlines. Additional responsibility includes the establishment and maintenance of fully integrated costing systems utilising sophisticated IBM based D.P. facilities, micro-computer based financial modelling and the management of e departmental staff of 10. Candidates aged under 35 must be qualified with extensive computerised accounting experience and will see these appointments as their next progression in a financial managerial career in manufacturing industry. Promotion prospects are excellent. Promotion prospects are excellent.

Male or female candidates should submit in confidence a comprehensive c.v. or telephone for a personal history formato. A.D. Kelly, Hoggett Bowers plc. 4 Mosley StreNEWCASTLE UPON TYNE, NE1 1DE, 0632 327455, quoting Ref. 44274/5/FT.

Hoddett Rowers 85CLL DUVVCL S Executive Search and Selection Consultants

UK Accounting Manager High Technology

Berks, c. \$25,000, car

This company is a relatively small progressive, high technology company of American parentage and is growing rapidly but sensibly under a mature professional British management.

The Finance Department has a small staff and a VAX

The Finance Department has a small staff and a VAX 11/750 and the major objective is to develop and manage the accounting for the UK operation in e way that fully contributes to the business and its growth. Candidates, most probably CA will be aged 30–35 with experience of American financial reporting in a high technology situation. They must be independently minded and be able to work at board level with no supervision. The company is still comparatively young and career prospects are excellent.

Male or female candidates should submit in confidence e comprehensive c.v. or telephone for a personal history form to H.W. FitzHugh, Hoggett Bowers plc, 1/2 Hunover Street, LONDON, W1R 9WB, 01-734 6852, quoting Ref. 19008/FT.



Group Chief Accountant c.£20,000 + car + benefits

An expanding and highly profitable publicly quoted group of companies with an annual worldwide turnover of approximately £100m who are engaged in advanced electronics and precision engineering products needs semeone to take responsibility for the day to day running of the group's linance function in Newbury and assist the Financial Director in all aspects of financial control of the

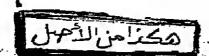
Based in Newbury, Berkshire, the successful candidate must have had a first class professional training followed by substantial general experience at corporate level, He/she

subsummaryer read expensions, flexibility, an will also need intellectual agility, flexibility, an entrepreneurial streak and a pleasing personal authority. Due to the pressures of the job, a sense of humour would

To apply please write quoting ref: MU864 to the Managing

Director, Executive Selection Division, 18 Grosvenor Street, London W1X 9FD.

ESD is the Executive Selection Division of EAL



Head of Finance

Establishing Sound Financial Links for Worldwide Communications

Southampton c.£25K

in maintaining a complex submarine cable network, the Marine Services Division of British Telecom International provides the UK with vital international communications links.

This is a senior position reporting to the Divisional Director, with professional functional responsibility to BTT's Director, with professional functional responsibility to BTI's Chief Finance Officer, and offers an exciting opportunity to assist with the development of business worldwide in growth areas created by both offshore oil fields and enhanced coble technology, in building up the £20 million turnover Division into a fully commercial profit centre, tasks will span strategic planning, cost accounting and financial performance analysis, increasing the flow of sophisticated information across the operational base will also be important.

A shrewd, for-sighted professionally qualified accountant, ideally with a degree in a business-related discipline, you must have substantial experience at senior management level, preferably gained in a shipping or manufacturing environment. Computer systems exposure is essential and major contract supervision would be a distinct advantage. Preferred age range: 30-40.

The remuneration package reflects the importance of this position. Salary will be negotiable around £25,000 and benefits are comprehensive. Prospects within this rapid growth environment are excellent.
Please write with a full c.v. to Alon Hall, British Telecom International, Room 820, Holborn Centre, 120 Holborn, London ECIN 2TE.



Group Accountant – Advertising/PR

Central London c.£20,000 + benefits



MALLERMAN SUMMERFIELD

Robert Walters Associates

Recruitment Consultants 54-62Regent Street, London W1R 5PJ. Telephone: 01-734 0493 Our Client, an advertising agency with substantial group billings, is seeking an accountant for their London

The agency has developed a number of affiliated companies and now provides its clients with a comprehensive range of marketing/advertising and communication services.

The successful candidate will probably come from a similar industry background, is likely to be qualified and will head-up an accounts department of six staff in this newly created position. Age is less important than relevant experience.

For further information, please telephone Robert Walters or Carolyn O'Bnen on 01-734 0493 or write giving brief details to the address

CORPORATE SERVICES MANAGERS

International C.A.s-London

£20,000 plus + car + benefits

Ernst & Whinney is one of the most rapidly expanding accountancy firms with a highly developed sense of the market opportunity.

To support further practice growth planned for 1986, outstanding career opportunities can be offered in Corporate Services work to ambitious qualified accountants or MBA's with a minimum of five years relevant post qualification experience. Specific requirements are in:-

CORPORATE FINANCE

-where the need will be for the preparation and presentation of imaginative proposals backed by computerised financial models and a thorough knowledge of the alternative sources and methods of finance.

CORPORATE ADVICE

-where extensive experience of Stock Exchange requirements and reports, viability studies and acquisitions and general investigative work will be required.

For those demonstrating sound technical capability, a flair for inter-personal skills and a keen sense of commercial awareness, prospects in the medium term will be first class.

Relocation assistance, where appropriate will be provided.

Please write with full C.V. to Barry Compton.



Becket House, 1 Lambeth Palace Road, London SE1 7EU. Tel: 01-928 2000.

ACCOUNTANT ~ a senior role in a small team

c £18k + benefits

Our client is a major North Sca Operator committed to an expanding programme of offshore activity. Discovery of a new oil and gas field has meant continued company growth and prospects for the future are exciting.

A vacancy has arisen in our Management Accounting department based in Aberdeen, for an Exploration Accountant.

Your job will be to provide a complete financial service for all of the operator exploration licences. This will involve

★ the preparation and presentation of budgets to senior management and joint venture partners * the preparation of monthly statements of

account forecasting cash requirement to ensure that there are sufficient funds to meet exploration

★ liaising closely with other technical departments

-

4

This challenging post promises both early responsibility and the opportunity to work with staff at all levels. You will be a semior member of a small team dealing with all financial aspects of Exploration Activities.

You will be a qualified Accountant, of graduate calibre in your late 20s/early 30s and with at least 2-3 years' post qualification experience in an oil related environment. It would also be advantageous if you had a knowledge of modelling/reporting software

The company benefits include an excellent relocation package, pension and life assurance scheme and a subsidised staff.

If you feel that your background meets the equirements of this demanding position, send a detailed CV including current salary to B. Forbes, address as below or phone for an application form. All applications will be treated in

PA Advertising

Windsor House, 12 Queen's Road, Aberdeen AB1 6YT Tel: (0224) 645566 Telex: 73182

CONNOLLY

Financial Controller

Wimbledon, S.London c£18,000 plus car

We have been retained to recruit a qualified accountant for Connolly Brothers Limited. Our client is the foremost company in the preparation of finest quality leather. Their prestglous client base is drawn from the major names in the automotive and furniture industries. Though established in the nineteenth ceritury,

recent growth to a tumover of £24 millions with a staffing level of 480, has necessitated the appointment of a Financial Controller.

For the successful applicant, probably aged between 26-35, this newly created position represents a demanding and challenging role.

Managing a small team — four at present — responsibilities will include all general account-

ing, budgeting, forecasting, costing and preparing

ring budgeting rotections, costing and preparing management reports.

You will also be expected to recommend and implement operational innovations — where appropriate — to enhance the profitability of the business and its associated companies.

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of carrency markets will be required.

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TELEPHONE (07/2) 735417. CLOSING DATE 31st JANUARY 1956 If you wish to discuss the post further, please talephone Rod Knowles, Chief Personnal Officer on (0742) 734081

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- - --

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possess the necessary interpersonal skills to establish immediate and long term credibility within this high profile U.S. environment. Previous exposure to developing and maintaining accounting systems, policies and procedures ideally using personal computers is essential, as is the ability to make a personal contribution at all levels of the business.

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* Finance and cash control * Budget preparation and control

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Director a genuine and achievable

personal details and quoting

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Executive Selection Division

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Following the promotion of the present incumbent, the group is seeking a replacement to head its Audit Department. Planning, guiding and reviewing the work of a small team, the Head of Internal Audit will be responsible for ensuring the maintenance of business control in the

group's operations. Based in London and travelling approximately 25% of the time, he or she will work closely with senior management and will be in a highly visible position which should provide considerable promotion opportunity. Aged 28-35, applicants should be graduate Chartered Accountants with management experience gained either in the "Big Eight" or in

Please write, enclosing a career/salary history and daytime telephone number, to David Hogg FCA quoting reference H/356/AF.

Management

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For a qualified accountant with some experience of U.K. compliance and double taxation relief, this is an of U.K. Compliance and addise taxanon relier, this is an ideal apportunity to expand your knowledge into-European and U.S. taxation matters within our EAME tax department, as well as developing yourself further through projects and research on U.K. and European tax issues. Some European travel would be required. Non qualified condidates should not be deterred from a published in the condidates and the condition of the deterred from the conditions. applying if they can demonstrate significant corporate tox experience in a commercial environment

International Auditors

Due to recent promotions into line management, we are currently looking for high calibre candidates to join our international audit function: The areas of operation are mostly in Western Europe with additional trips further afield. Although the work is based on audit techniques, emphasis is directed towards management

ossistance.
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To apply for either of the above, please send a brief c.v., or phone for an application form, to:
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implementation of systems, they will be highly exposed to senior financial and operations management throughout the organisation. The rapid growth of the company should provide considerable promotion prospects.

The company will consider applications from graduate accountants (ACA or ACMA) ranging from newly qualified up to those with 3/4 years post qualification

Please write, enclosing a career/salary history and daytime telephone number, to David Hogg FCA quoting reference

Lloyd Management

Finance Director (Designate)

Home Counties

to £20,000 + car + benefits

Our client is one of the country's leading interior design companies specialising in fitted kitchens, bathrooms and bedrooms.

Due to continued rapid growth, they now wish to appoint a Finance Director Designate for one of their highly successful subsidiaries. This is an excellent opportunity for a young qualified accountant to develop the finance function and rapidly become involved in the running and developing of the business in a general management

Candidates for this appointment will be aged 26-30 years, who have gained good commercial experience in a highly sales orientated

Interested applicants should write, in confidence, enclosing a detailed resume, quoting reference no. 11/90 to:

AGB Recruitment

173 Sloane Street, London SW1X 90G Telephone: 01-235 9891

Director of Finance

City

Salary + Benefits c£50,000

Our client is a major professional firm with operations both in the City and overseas and has enjoyed substantial growth in recent years. To accommodate its continued planned expansion, the firm has recently carried out a review of its management and professional structure and has identified the need for a Director of Finance to play a crucial role.

Reporting to the Managing Partner, his/her responsibilities will cover all aspects of the firm's financial planning and management, which, it is fully recognised, will require the support of up-to-date systems and technology Candidates who are likely to be aged between 35-45 who can demonstrate both tact and

strength of purpose will be Chartered Accountants with strong commercial experience gained preferably in a large professional or financial services organisation. The salary and benefits package will not be a limiting factor in this challenging and demanding appointment.

Interested candidates should send a detailed CV to Don Day FCA, quoting reference LM81/2at Spicer and Pegler Associates, Executive Selection, Friary Court, 65 Crutched Friars, London EC3N 2NP.



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Management Services

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City Excellent salary + Package negotiable

THE BANK OF ENGLAND wishes to appoint a Chartered Accountant to manage its financial accounting function.

Primary responsibilities will be the preparation of published and internal accounts and statements, all tax matters and the provision of ad hoc financial accounting advice throughout the organisation.

Candidates should have a minimum of three years' post-qualification experience and be able to demonstrate a comprehensive knowledge of financial accounting, computerised accounting systems and corporate tax, with the ability to apply this acquired knowledge and experience in problem solving.

Candidates, aged 28-35, should have proven abilities in the leadership of a professional team, possessing communications skills for liaison with senior staff. As well as being of interest to candidates with commercial and industrial experience, the post could offer an excellent opening for well-qualified candidates wishing to make a first move away from a professional

This opportunity represents a challenging appointment in a stimulating environment for the exceptional candidate who meets the required personal and technical attributes. Please apply in confidence to: Stephen Mawditt,

Managing Director, Senior Management International

Executive Search Consultants



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Company Notices

JOINT-VENTURE BAIL plc

UNITED GRAIN PRODUCERS

BAII ple and UNITED GRAIN PRODUCERS LTD have the pleasure in announcing the establishment of a joint-venture company UNITED GRAIN TRADERS, the purpose of which is to provide investment and working capital for farming cooperatives.

It will enable the cooperatives to draw on substantial credit lines at advantageous terms for the normal trading cycle of grain.

The new company will be jointly managed by BAU and UGP.

FINANCIAL TIMES

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Amax in

metal

division

Editor, in London

shake-up

arm and Amax Mineral Sales will

the BCL nickel-copper project in Botswana; closed the Port Nickel

refinery in Louisiana and the Anamax copper mine in Arizona; and announced the phasing-out of its smelting and refining operations at

Carteret, New Jersey.

Operations retained include mo-

lybdenum, tungsten, speciality me-

tals, magnesium, lead, zinc, alumin-

ium, silver and gold. Amax also an-

nounced that it now owned all the

UK Hemerdon tungsten project in

Goodrich

charged

by SEC

B.F. GOODRICH, the US tyres group, was yesterday charged by the Securities and Exchange Com-

mission (SEC), with reporting and

proxy violations in connection with

a \$41m "greenmail" payment to cor-porate raider Mr Carl Icahn in 1984,

Goodrich has settled the SEC's

administrative proceedings without

admitting or denying any wrong-In its administrative order the

SEC alleged that in November 1984 Goodrich repurchased from Mr Icahn almost 1.2m of its shares, or

ing, at \$35 a share - 25 per cent

premium over the market.

However, the SEC charged that the company's 1984 annual report failed adequately to disclose that it bought out Mr Icahn at a premium.

Instead, according to the SEC, the company said Mr leahn's repur-chased shares would be used to

fund employee benefit and pension

plans or for projected acquisitions

or for "other corporate purposes."

The company's proxy statement indicated that it had not paid

"greenmail" to Mr Icahn and did not identify Mr Icahn as posing a

takeover threat to the company in

Aegon starts

takeover talks

AEGON, the Dutch insurer, bas be-gun talks to buy Nederlandse Ver-zekerings Groep for an undisclosed

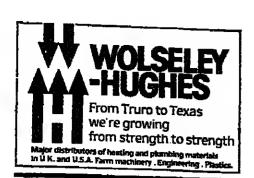
Nederlandse Verzekerings is

small regional insurer with assets of Fl 82m (\$29m). Its annual prem-ium income for 1984 was Fl 30m. It

operates in the northern Nether-lands where Aegon wants to ex-

the autumn of 1984.

AP-DJ reports from Washington.



SECTION II - COMPANIES AND MARKETS

FINANCIAL TIMES

Thursday January 16 1986



Kaiser plans refinancing to fight takeover bid

BY TERRY DODSWORTH IN NEW YORK

KAISER ALUMINUM, the US alu- amount of which bad met with critiman and chief executive, described minium company fighting a \$786m cism from the Frates group. Under bid from J.A. Frates of Oklahoma, the new structure, responsibility for announced a wide-ranging reorga- the refinancing will fall to the new

The plan follows a \$175m net charge against its aluminium business earlier this year. In the new company. These will embrace the reorganisation, Kaiser said it will aluminium and industrial chemical

down some of its bank debt, the

oisotion yesterday which will in-volve raising new capital that should help to make it less vulnersecurities issues.

Mr Cornell Maier, Kaiser chair- possible to implement.

the project as another major step in the strategy the company had pursued over the past few years.

"A key objective of the strategic plan has been to improve our financial position. This proposal allows us to do that and much more," he

Kaiser has been advised on the lorm o holding company, refinance its \$1bn of bank debt and raise new capital through issues of preferred stock and subordinated debt securities.

Kaiser bad been expected by Wall Street to make a move to pay depend on the pay depend of the bank debt the cash raised through the programme will be devoted to acquisitions. Some of the cash raised through the programme will be devoted to acquisitions. Some of the cash raised through the programme will be devoted to acquisitions. Some of the cash raised through the programme will be devoted to acquisitions. Some of the cash raised through the programme will be devoted to acquisitions. Some of the cash raised through the programme will be devoted to acquisitions. Some of the cash raised through the programme will be devoted to acquisitions. Some of the cash raised through the programme will be devoted to acquisitions. Some of the cash raised through the programme will be devoted to acquisitions. Some of the cash raised through the programme will be devoted to acquisitions. Some of the cash raised through the programme will be devoted to acquisitions. Some of the cash raised through the programme will be devoted to acquisitions. Some of the cash raised through the programme will be devoted to acquisitions. Some of the cash raised through the programme will be devoted to acquisitions. Some of the cash raised through the programme will be devoted to acquisitions. Some of the cash raised through the programme will be devoted to acquisitions. Some of the programme will be devoted to acquisitions of the cash raised through the programme will be devoted to acquisitions. Some of the programme will be devoted to acquisitions of the programme will be devoted to acquisitions. Some of the programme will be devoted to acquisitions of the programme will be devoted to acquisitions. Some of the programme will be devoted to acquisitions of the programme will be devoted to acquisitions of the programme will be devoted to acquisitions. reorganisation by Drexel Burnham Lambert, the New York investment

First Wachovia returns strong growth as loan provision rises

BY PAUL TAYLOR IN NEW YORK

merger of North Carolina based Wachovia and Atlanta-based First Atlanta, yesterday reported a 20 per previous year.

ors

cent increase in 1985 net earnings. The group, which had year-end by 14.8 per cent or \$1.7bn in the full assets of \$17.7bn ranking it among year and by 11.2 per cent of \$1.4bn the 25 largest banking groups in the in the final quarter, while net inter-US, said full-year net income increased to \$187.7m or \$3,51 a share from \$156.4m or \$2.97 a share in 1984. First Wachovia said it restated

all its results to reflect the merger. Net earnings per sbare last year include an 18 cents a sbare after-tax sults, First Wachovia reported a gain in the first quarter offset by 11 cents a share in merger-related expenses and a 10 cents a share addition to the final quarter provision for loan losses.

Fourth-quarter net income grew slightly to \$43.1m or 80 cents a shure from \$42.1m or 80 cents a sbare in the same period a year

optimistic

By Jonathan Carr In Frankfurt

Feldmühle expects sales of paper

and of its technical products, includ-ing ceramics and rubber mouldings, to increase further, buoyed by the

strengthening domestic economic

Feldmühle is a key company of the Feldmühle Nobel group, known as the Flick concern until the end of

last year when it was bought by Deutsche Bank. The bank is resell-

ing the group through a public

Feldmühle attributes its profits rise in 1985 mainly to rationalisa-tion, an improved product range

and lower costs. The company did

not disclose profit figures. The

number of employees rose by 2 per cent to more than 8,700.

Sales of technical products were up by an above-average 7 per cent.

FIRST WACHOVIA, the expanding growth in loans, higher net interest strengthening in the group's year-south-east US banking group income, increased non-interest end reserve for loan losses which revenues control of operating expenses and securities gains com-

> Average earning assets increased est income grew by 11.6 per cent or \$71.8m in the year and by 11.7 per

cent of \$19.2m in the quarter. Like most other major US banking groups which bave reported their full-year and final-quarter redramatic jump in its provision for loan losses. The full-year provision doubled to \$80.7m from \$40.2m, fuelled in part by a rise in the provi-sion in the final quarter which was Increased to \$30.4m from \$12.8m.

The higher provisions reflected an increase in net loan charge offs, which increased to \$52.6m from

total loans at the end of December pared with securities losses in the from \$120m or 1.34 per cent of total loans a year earlier.

> European American Bancorp lifted fourth-quarter net profits from \$13.1m to \$14.6m, taking 1985 net earnings to \$20.7m.

This compares with a loss of 111s compares with a loss of \$132.8m in 1984, when the consortium bank of the EBIC group made loan-loss provisions of \$147.8m, The provision in 1985 fell sharply to \$60.5m. However, the 1985 profit figures include a \$12m gain from the sale of a building in Roosevelt

· Republic New York, the bank bolding company controlled by the banker Mr Edmond Safra, boosted fourth-quarter earnings from \$25.1m or \$1.33 a share to \$32m or \$1.59, taking the total for the year to \$20.8m for the full year and to \$122.1m or \$5.98 a share, compared The banking group attributed the \$21.4m from \$9.1m in the final quarwith \$96.5m or \$5.49. Year-end ashigher 1985 full-year earnings to ter. There was also a further sets rose from \$12.4bn to \$15.3bn.

Feldmühle | Abbott lifts earnings 15% on higher income

on outlook ABBOTT LABORATORIES, the big US health care company, kicked off the drug companies' reporting season yesterday with a 15 per cent rise in 1985 net earnings. Profits emerged at \$465.3m or \$3.88 a share, broadly in line with FELDMÜHLE, the diversified West

German paper and board manufac-turer, is optimistic about business prospects this year after raising profits in 1985 on sales revenue up by 4 per cent to DM 3.1bn (\$1.26bn). Wall Street estimates, and up from \$402.6m or \$3.34 a share in 1984. The Illinois-based concern, which has notched up a long run of quar-

from \$123.1m or \$1.02 a share to \$141.4m or \$1.18.

Sales jumped from \$850.4m to \$954.4m in the fourth quarter, taking the total for the year to \$3.36bn

The company said yesterday that sales of pharmaceutical and nutritional products, which accounted for 55 per cent of total revenues and 69 per cent of profits in 1984, rose 9.4 per cent last year. Sales of hos-pital and laboratory products rose 6.9 per cent

ter-to-quarter earnings advances. Wall Street expects further prof-lifted fourth-quarter net income its growth this year with earnings per share forecast to reach about \$4.40.

Delhaize sees lower result

BY PAUL CHEESERIGHT IN BRUSSELS

the US, expects lower consolidated year as the number of outlets rose profits for 1985 but its dividend will to 317 from 251. at least be maintained at the 1984

Food Lion, the group's expanding 1985 to \$482m from \$536m in 1984. pand its presence.

DELHAIZE Le Lion, the Belgian supermarkets chain in the south-supermarkets group which earns eastern US, increased turnover about 70 per cent of its revenue in from \$1.47bn in 1984 to \$1.86bn last

level of BFr 115 (\$2.30) a share.

The group said yesterday the decline in consolidated profits arose from the fall in the dollar's value in 1985.

Losses at Food Giant, the supermarkets chain active mainly in the currently in

FUTURES TRADING TO PROTECT CURRENCY AGAINST DOLLAR

Mexico to launch peso market

BY DAVID GARDNER IN MEXICO CITY

MEXICO 1S shortly to introduce a fell 17 per cent in two days last futures market for the "controlled" week, having strengthened by a futures market for the "controlled" exchange rate of the peso against the dollar - the rate used for 80 per cent of the country's trade and all its debt transactions, which is set by the financial authorities at a daily fixing.

The aim is to enable exporters and importers to plan their transactions ahead by providing them with short-term exchange risk cover. Under the new scheme, they will be able to count on up to six months exchange rate "certainty," according to a senior financial official.

The measure was to bave been introduced in December but, according to the official, was withheld for placement in a more rounded package designed to stimulate non-oil exports on a long-term basis, due to come into effect within the next

The move takes place against n background of continuing volntility in the foreign exchange market. The so-called "free market" peso, which last year lost about 120 per cent of its value against the dollar,

similar amount over the preceding

The free peso is used for non-essential transactions such as luxury imports and foreign travel. A spate of rumours that the controlled rate was about to be abolished started the free rate's tumble.

Worries about falling oil revenues (which earn Mexico 70 per cent of its foreign exchange and provide 45 per cent of tax receipts), coupled with lack of confidence in the leadership of the Government of President Miguel de la Madrid, are regarded as the two root causes of the exchange rate instability of the past

The fall in oil revenues from \$16.8bn in 1984 to around \$15bn last year, as well as exacerbating the dollar shortage, bas obliged the Government to replace the lost tax revenues by monopolising bank credits and milking the money markets, pushing up interest rates to record levels.

government credit policy and weakened the balance of payments as companies have sought out alternative access to both pesos and dollars. Inter-company lending has shot up: border exchange rates responded like yo-yos to the practice ended by the Government in No-

This, in turn, has undermined

vember - of companies depositing pesos in foreign banks here in exchange for dollars made available in the US. The traditional babit of under-invoicing exports and overinvoicing imports, evident in any comparison of US and Mexican tallies of their bilateral trade flows, has also sharply increased.

Foreign bankers, to wbom Mexico owes \$96bn and from whom it is seeking more than half its net new financing needs of around \$4.5bn this year, believe capital flight in 1985 to have exceeded \$4bn. This is an addition to the around \$25bn Mexicans are estimated to have on

the new package will aim to provide absorber against speculation

exporters and importers with easier access to dollars and credits together with export stimulation meatake without inviting protectionist

End-of-year need for peso liquidity among many companies is in fact credited with the sharp strengthening in the peso up to last week. The financial authorities say dollars were being brought back into the country and converted.

This narrowed the spread between the free and controlled rates to less than 10 per cent, whereas it is now, and normally, about 25 to 30 per cent. This de facto trend towards reunifying the two rates led some analysts to believe it was being engineered by Government intervention before formal abolition of the controlled rate.

Officials say, however, that as long as inflation here is running some 80 points ahead of the US. Mexico's main market, a separate Along with the futures market, free rate will be needed as a sbockJohn Davies in Frankfurt reports on battle in Europe's fertiliser market

The growing business of BASF

mercial "battlefield" in which large internationally active companies are locked in fierce competition.

By Kenneth Marston, Mining Three years ago BASF slashed fertiliser prices to hold on to Euro-pean markets. But since then it bas AMAX, the US natural resources group, bas embarked on a big reornisation of its metal busine streamlined production and marinto two main sections. Amax Min-eral Resources will be the operating keting, invested in technological improvements and lifted prices to

more economic levels.

be the selling organisation.

Mr Allen Born, the company's After losing DM 40m (\$16.3m) in fertilisers in 1983 and DM 10m in 1984, it made an undisclosed profit new president and chief executive officer, said: The reorganisation represents an integrated approach to the metals business and also relast year io that segment of its wide-ranging chemical operations. BASF now feels stronger in the flects the smaller size of Amax's metals organisation." Expected benefits of the move include increased efficiency and cost savings. In the past six months, Amax has sold its 25 per cent stake in the Mount Newman iron ore venture in

sector, although competitors, too, have not been idle. The Norwegianbased Norsk Hydro, Europe's biggest fertiliser group, gained a firm footbold in West Germany by buy-ing the fertiliser operations of Veba oil last July. That move, part of Western Australia; withdrawn from Norsk Hydro's strategy of expansion in Western Europe, gave the Norwegian group over 20 per cent of the West German market.

BASF, the West German chemical group, has returned to profitability pressures by closing fertiliser and Britain's ICI.

BASF had set about improving its product range and setting up the market pressures by closing fertiliser and Britain's ICI.

BASF had set about improving its product range and setting up the market pressures by closing fertiliser and Britain's ICI.

BASF had set about improving its product range and setting up the best possible logistical link among Frankfurt at the end of 1984 and by concentrating various operations at Oberhausen in the Ruhr.

The shake-up in the fertiliser business stems from a combination of factors. Companies with favourable access to natural-gas raw material have been adding strongly to price competition. The West Ger-mans, who bave long contended with fertiliser imports from Eastern Europe, have also been confronted with fierce Dulch competition.

At the same time, with farm incomes under pressure, fertiliser use is stagnating in some West European countries, including West Germany (although it has been rising in France and the UK). BASF, with capacity to produce

German market and about 8 per cent of the West European market. With Norsk Hydro the clear market

BASF lifted its sales revenue from fertilisers by 7 per cent last its eight production plants in West year to DM 3.1hn, with half the in Crease due to price rises and balf to Evtra volume. The increase due to price rises and balf to Technological improvements bad extra volume. That is a moderate reduced energy and raw-material slice of BASF's total world sales revenue, which is likely soon to be heading towards DM 50bn a year.

As part of the industry's restruc-As part of the industry's restruc-turing. BASF in mid-1982 bought the Belgian company Fison-UCB. BASF took another step towards strengthening its position by huy-ing out its equal partner in Ge-werkschaft Victor two years ago as a prelude to heavy investment in Castrop-Rauxel in West Germany.

Restructuring went further at the beginning of this year, when a oumabout 6m tonnes of fertiliser a year, ber of other fertiliser operations bas more than a third of the West within the BASF group were her of other fertiliser operations brought into the parent company.

Mr Karl-Heinz Tillmann, the head of BASFs fertiliser division, leader in Western Europe, BASF said the group's strategy in recent Ideally, such countries should be sees itself as a runner-up along years was aimed not at growth hut supplied from their own production with three strong rivals - AZF of at becoming more competitive.

product range and setting up the best possible logistical link among requirements and raised the prod-

uctivity of plants. Mr Tillmann said BASF remained convinced that the fertilise

He said that tough competition the company's fertiliser works at bad already led to a decline in the number of fertiliser producers. "This process is still going on," he

Although fertiliser use was likely to rise in developing countries, BASF did not envisage expanding production to increase its exports to such markets. Mr Tillmann said. Ideally, such countries should be

Superfos expects profit slide after weak performance in US

BY HILARY BARNES IN COPENHAGEN

giant, said its 1985 pre-tax earnings will slide to a break-even level after heavy losses in the fertiliser division and especially as a result of last year's acquisition of the US

Royster group.
In a balf-year interim report last
East European sales at dumping September the group forecast 1985 prices, said Superfos. earnings of DKr 175m (\$19.3m), down from DKr 311m in 1984. The group said that it expects earnings to return to a more normal level fairly quickly and it will therefore maintain the 12 per cent dividend.

SUPERFOS, the Danish chemical s- fierce price war in the US market, cial items were also satisfactory, where Superfos acquired Royster with effect from January 1 last year, plus the strong dollar, which inhibited Royster's export business. In Denmark earnings by the fer-

tiliser division were affected by The weakening of the dollar together with rationalisation and measures to improve efficiency by the Royster group will improve earnings in 1986, the group said.

The group's other two divisions, The poor performance by the fer-tiliser division was blamed on a formed strongly in 1985 and finan-

said the group.

The full results for last year will be published on March 11.

Mr Jørgen Trygved, managing di-rector said "We bave done a lot of things to Royster, We bave reduced the labour force by about 150. We have put in a new management team and we have refinanced the wbole thing, which will save us a couple of million dollars a year."

"Prices are getting better and we now have a margin, so we have enough to say things will be better

Barkman to acquire building groups

By David Brown in Stockholm

BARKMAN, the Swedish trading and finance company, has agreed to take over Tornet, a construction and property group, and Faluhus, the prefabricated woodeo house producer, in a deal worth SKr 540m

The deal, announced following a suspension in trading of Barkman sbares on the Stockholm bourse, implies a reorganisation within the group of companies associated with Mr Par Hammarlund and Mr Rolf

The new reorganised group will have a total annual turnover of some SKr 2bn.

December 1965 New Issue. These securities having been sold this advertisement appears as a matter of record only. These Notes have not been registered under the United States Securities. Act of 1933 and may not be differed or sold in the United States for to U.S. persons as part of the distribution of the Notes.



The Hongkong and Shanghai **Banking Corporation**

(Incorporated in Hong Kong with limited liability)

U.S.\$400,000,000

Primary Capital Undated Floating Rate Notes (Second Series)

HongkongBank Limited

Lloyds Merchant Bank Limited

Bank of China Barclays Merchant Bank Limited County Bank Limited Fuji International Finance Limited IBJ International Limited Merrill Lynch Capital Markets Samuel Montagu & Co. Limited Nippon Credit International (HK) Ltd. Orion Royal Bank Limited Shearson Lehman Brothers International Sumitomo Trust International Limited Union Bank of Switzerland (Securities) Limited Yamaichi International (Europe) Limited

BankAmerica Capital Markets Group Bank of Yokohama (Europe) S.A. Banque Nationale de Paris Crédit Lyonnais Daiwa Europe Limited Generale Bank KB International (Hong Kong) Limited Manufacturers Hanover Limited The Royal Bank of Scotland plc Sanwa International Limited Tokai International Limited

Bankers Trust International Limited Citicorp Investment Bank Limited Dresdner Bank Aktiengesellschaft Goldman Sachs International Corp. LTCB International Limited Mitsubishi Finance International Limited Morgan Guaranty Ltd Nomura International Limited Salomon Brothers International Limited Sumitomo Finance International Swiss Bank Corporation International Limited S. G. Warburg & Co. Ltd.

Bank of Tokyo International Limited Banque Bruxelles Lambert S.A. Chemical Bank International Group Dai-Ichi Kangyo International Limited First Interstate Capital Markets Limited Indosuez Asia (Singapore) Limited Kidder, Peabody International Limited The Nikko Securities Co., (Europe) Ltd. Saitama International (Hong Kong) Limited Takugin International (Asia) Ltd. Toronto Dominion International Limited

Westpac Banking Corporation

INTERNATIONAL COMPANIES and FINANCE

NOTICE TO THE HOLDERS OF

PHARMACEUTICAL CO., LTD. (Yamanouchi Seiyaku Kabustuki Kaisha) 2¼ PER CENT. CONVERTIBLE

Pursuant to Claose 7(B) and (C) of the Trust Deed dated November 12, 1985 under which the above-mentioned bonds were issued. Notice is hereby given as

Board of Directors of the Company resolved to make a free distribution of shares of its Common Stock to shareholders of record as of December 31, 1985 in Japan at the rate of 0.08 new share for each share held.

 Accordingly, the conversion price at which the above-mentioned bonds may be converted into shares of Common Carlotte the Carlotte Car Stock of the Company has been adjusted effective as of January 1, 1986 Japan nine. The conversion price in effect prior to such adjustment was Yen 3,471,00 per share of Common Stock, and the adjusted conversion price has been Yen 3,213.90 per share of

AMACENTICAL CO., LTD. By: The Sumitomo Bank, Limited as Principal Paying Agent January 16, 1986

NOTICE TO THE HOLDERS OF

PEARMACENTICAL CO., LTB. (Yamanouchi Seiyaku Kabushiki Kaisha)

4 PER CENT. CONVERTIBLE BONDS DUE 1990

ant to Clause 7(B) and (C) of the Trust Deed dated October 6, 1983 under which the above-mentioned bonds were issued. Notice is hereby given as follows: 1. On November 25, 1985, the

1. On November 25, 1985, the Board of Directors of the Company resolved to make a free distribution of shares of its Common Stock to shareholders of record as of December 31, 1985 in Japan at the rate of 0.08 new share for each share held.

 Accordingly, the conversion price at which the above-mentioned bonds may be converted into shares of Common control of the converted of t Stock of the Company has been adjusted effective as of January 1, 1986 Japan time. The conversion price in effect prior to such adjustment was Yen 1,483.20 per share of Common Stock, and the adjusted conversion price has been Yen 1,373.30 per share of

YMANIOUCH PHARMACEUTICAL CO., LID.

By: The Sundomo Bank, Limited as Principal Paying Agent January 16, 1986

Intel loses \$15m in quarter as revenues continue to fall

BY LOUISE KEHOE IN SAN FRANCISCO

INTEL Corporation, the US Silicon \$1.70 a share in 1984. Revenues still are not adequate to sustain cur Valley semiconductor manufactur-er, has reported heavy losses for the fourth quarter of 1985. In addi-tion revenues for the year were down 16 per cent with net income cut by 99 per cent, reflecting the de-

pressed conditions of the world semiconductor market. Intel announced it would lay off about 700 people, or 3 per cent of its workforce, as part of an overall

company restructuring.
Net income for 1985 was \$2m, or 1

were \$1.4bm, down from \$1.6bm. rent revenue levels, said Dr GorThe company reported a net loss
of \$15m for the fourth quarter, compared to a profit of \$23m for the final quarter of 1984, and revenues were \$318m, down from \$416m.

Losses from operations for 1985 totalled more than \$60m, with

"Fourth-quarter orders were

the worst of this cycle; prices are firming in some areas and demand for certain products is increasing.

However, he added: "Pricing is still outte low. We face a long climb fourth-quarter operating losses of almost \$35m, significantly worse than most analysts' predictions. hack up from a very low base before we will return to a period of acceptable profitability.

US consumer finance and manufac-

Amev buys remainder Household in of Australian group

BY LACHLAN DRUMMOND IN SYDNEY

AMEV Australia, the Dutch-owned insurance and financial group, in-tends paying A\$89m (US\$48m) to take full control of its 30 per cent-

owned general insurance associate, VACC Holdings. Amev is in talks with VACC's controlling 51 per cent shareholder, the Victorian Automobile Chamber of Commerce, and intends offering A\$8.69 a share to the chamber and remaining shareholders. Those in-clude other state motor-trade assonance subsidiary.

This announcement appears as a matter of record only. The Warrants may not be offered

or sold in the United States or to United States nationals or residents.

Goldman, Sachs & Co.

125,000

Series C Warrants to Purchase

U.S. \$125,000,000

9%% United States Treasury Bonds

due November 15, 2015

125,000

Series D Warrants to Sell

U.S. \$125,000,000 9%% United States Treasury Bonds

due November 15, 2015

\$500m share buyback move By William Hall in New York HOUSEHOLD International, the

quote of A\$4.10 a share for VACC Holdings. Earnings per share were 64 cents for the year ended June 30 1985. VACCs net profits edged up 1 turing group, is to spend up to \$500m on buying back more than a per cent to AS7.18m. Premium in-come totalled AS62m. fifth of its equity.

The group, which has frequently come under attack from a dissident Amey will also seek to buy the chamber's stake in Amev Life once it completes the VACC takeover. Amev last year bought out local mi-nority holdings in its Amev-UDT fi-

shareholder group, yesterday said it would begin a cash tender offer for up to 11.5m of its 51.4m common shares outstanding.

The group is offering to buy back its statement of the same Amey has been a shareholder in its shares at between \$42 and 546 and said it would determine the per-share price it would pay on the

basis of the number of shares It will acquire a minimum of 5m shares. All shareholders who validly tender shares at or below the price selected by the company will receive the price selected by the company for the shares accepted

The tender offer will be financed by the proceeds of Household's re-cent sale of its merchandising unit to a group of investors. Household received \$520m in cash, equivalent to the book value of the unit, and \$125m principal face value of subordinated notes and a 10 per cent equity position in the acquiring cor-

The news of the tender offer did not come as a complete surprise to Wall Street. This month, when the company announced that the de-cline in its 1985 earnings would be "greater than anticipated," it said its board would at its January 14 neeting consider various ways of using the sale proceeds.

For more than a year, House: hold's performance has come under fire from a dissident shareholder group, which at one stage attempt ed a takeover. --

North American quarterly results

ARIZONA BANGWEST Benk heiding company			Petiliners, ankani pr			MORTON THICKOL. Selt, household prod	wate	
Fourth quarter Revenue Net profits Net por share Year Revenue Net profits Net per share Net profits	1985 3 7.94m 0.74 28.8m 2.72	1984 \$ 5.92m 0,68 22.6m 2.25	Second quarter Revettee	1985-86 1 341.2m 9.8m 0.36 654.3m 20.2m 0.74	748.4m 71.3m 24.5m 1.25 748.4m 71.3m 2.42	Revenue Net profits Net profits Str wonths Revenue Net per shere	1 985-86 6 480.4cs 32m 0.66 949.9m 66.7m 1.41	1984-85 448.1q 250 0.5; 844.7q 63q 1.2;
HARTPORD NATIONAL Benk holding company	,		MARYLAND NATIONA Bank holding compan			PACIFIC LIGHTING UNITY		
Fourth querier	1955	1984	Fourth quarter	1905	1904	Fourth querter	1985	1984
Reveale	_	_	Revenue			Revenue	1,37bn 55.9m	1.356n
Net profits	22.6m	19.7m	Net profits	18.2m	13.270	Net profits		43.8m
Net per share	1,14	1.08	Year	1,09	0.21	Nat per share Year	1.39	1.14
Revenue	_	_	Revenue	_	-	Revenue	5.00ba	4.78bn
Net profits	80.4m	68.5m	Net profits	73m	49m	Net profits	150.2m	132.7m
Net per spere	4.15	3.60	Net per shere	411	3.01	Net per chare	3.80	3.50

IRELAND IJS.\$50,000,000 Floating Rate Notes due July 1992

July 1992
In secondance with the provisions of the Notes, notice is hereby given that for the six mouths interest period from 16th January, 1986 to 16th July, 1986 the Notes will carry an interest rate of 84 per cent per annum. The relevant Interest Payment Date will be 16th July, 1986 and the Coupon Amount per \$500,000 will be \$21,682.29.

Bank of Tokyo
International Limited
Reference Agent

Eni International Bank Limited ECU 135,000,000

Guaranteed Floating Rate Notes due 1992 Incontinuous and inevocably quantited by Ente Nazionale Idrocarburi In accordance with the terms and conditions of the

Notes, the rate of interest for the interest period January 16, 1986 to April 16, 1986 has been fixed at 911/16% per annum. Interest payable on April 16, 1986 will be ECU242.19 per Note of ECU10,000.

Agent Morgan Guaranty Trust Company of New York London Branch

January 14, 1986

The Ziff Company, Inc.

has been acquired by

[12] 得森森

The Albert Fisher Group Plc

The undersigned assisted in the negotiations and acted as financial advisor to The Ziff Company, Inc.

Salomon Brothers Inc.

One New York Plaza, New York, New York 10004 Atlanta, Boston, Chicago, Datlas, London (affiliate) Los Angeles, San Francisco, Tokyo (affiliate), Zunch tempar of Major Securities and Commodities Exchanges,

This announcement appears as a matter of record only

Sydkraft Aktiebolag (Incorporated in Sweden with limited liability)

DKK 300,000,000 9% per cent. Notes due 1992

Enskilda Securitles

Privatbanken A/S

Bank Brussel Lambert N.V.

Banque Générale du Luxembourg S.A.

Banque Paribas Capital Markets Limited

Copenhagen Handelsbank A/S

Credit Suisse First Boston Limited Den Danske Bank Deutsche Bank Capital Markets Limited

Kredietbank International Group

Morgan Guaranty Ltd

Hambros Bank Limited

Post- och Kreditbanken, PK Banken

Svenska Handelsbanken Group

Morgan Stanley International

Bergen Bank A/S

Generale Bank

Swiss Bank Corporation International Limited

Westdeutsche Landesbank Girozentrale Berliner Handels- und Frankfurter Bank

Creditanstalt-Bankverein

Crédit Lyonnais Dai-Ichi Kangyo International Limited

Den norske Creditbank

Girozentrale und Bank der österreichischen Sparkassen

Kansaliis Banking Group

Sanwa international Limited

Merrill Lynch Capital Markets Mitsubishi Finance International Limited Orion Royal Bank Limited

Toronto Dominion International Limited

Union Bank of Finland Ltd

Goldman Sachs International Corp.

Carolina Builders Corporation

has been acquired by

Wolseley-Hughes, plc.

The undersigned acted as financial advisors to Carolina Builders Corporation in this transaction.

MORGAN STANLEY & CO.

Incorporated

January 2, 1986

CAROLINA SECURITIES CORPORATION



Gencor Group



Gold Mining Companies' F All companies mentioned are incorporated in the	Reports for the Quarter ender Republic of South Africa	ed 31 December 1985	
BRACKEN Mines Limited Company Registration No. 58/01128/06 Issued capital – 14 000 000 shares of 90 conts each.	LESLIE Gold Mines Limited Company Registration No. 59/01124/06	BUFFELSFONTEIN Gold Mining Company Limited Company Registration No. 05/33834/06	STILFONTEIN Gold Mining Company Limited Company Registration No. 05/33412/05
OPERATING RESULTS Cuarter ended 31.12.1985 33.12.1985 33.12.1985 39.8385	Cusrtar ended Cusrtar ende	Issued capital 11 000 000 ordinary shares of R1 sech 12 400 158 cumulative preference shares of R1 sech 12 400 158 cumulative preference shares of R1 sech 12 400 158 cumulative preference of R1 sech	Septed capital - 13 082 920 shares of 50 cents each. Quarter ended ended of share ended e
11570 10.033 10	Working revenue 24,973 21,810 Working costs 18,183 15,774 Working income 8,790 8,045 8,905 8,045 8,906 8,045 8,907 10,000 10	Uransistan Pulg treated 10 10 10 10 10 10 10 1	### SPANCIAL RESULTS (R*000) Working revenus
A dividend of 60 cents per share was paid on 7 November 1985. Gold forward sales Working revenus includes the effect of closing out of forward sales contracts during the quarter. Safety The mine completed 1 million underground fetality free shifts an 14 November 1985. UNISEL Gold Mines Limited Company Registration No. 72/10604/96 Issued capital – 26 000 000 shares of no par value.	REMARKS Capital expanditure Amounts approved not yet apent – R4 627 000. Commitments in respect of contracts placed – R11 453. Dividends A dividend of 60 cents per share was paid on 7 November 1985. Damp milliog A total of 62 600 tons (September quarter 42 800 tons) was milled ex surface dumps. Gold forward sales Working revenue includes the effect of closing out of forward sales contracts during the quarter.	Supenditure applied to repay loans 58 617 36 675 95 292	DEVELOPMENT Vasi
OPERATING RESULTS Outline ended ended and ended sold state ended sold sold state ended sold sold sold sold sold sold sold sol	MARIEVALE Consolidated Mines Limited Company Registration No. 05/06778/06 Issued capital – 4 500 000 shares of 25 cents each. Quarter ended ended	Amounts epiproved not yet apent = R46 905 000. Commitments in respect of contracts placed = R6 953 000. Dividends On 2 December 1985 dividend No. 57 of 500 cents per ordinery share was declared payable to members registered on 13 December 1985, and an amount of R5,84 million was declared payable to the holders of the preference shares. Dividend warrants will be posted on 30 January 1986.	Value - gold
FINANCIAL RESULTS (R'000) 27 841 22 193 324 316	OPERATING RESULTS 31.12.1985 30.9.1985 31.12.1985	In terms of an agreement, Buffelsfontein mines the mining lease area of Beatrix Mines Limited and 16 per cent of the distributable income from this area is attributable to Buffelsfontein and 84 per cent to Beatrix Mines Limited. Counter and	Commitments in respect of contracts placed—R904000. Dividends On 2 December 1985 dividend No 63 of 150 cents per share was declared; members registered on 13 December 1985. Dividend warrents will be poste on 30 January 1986. Gold forward seles In grider to ensure the profitability of its mining operations, the mine has sol forward its expected gold production to October 1986. Prices range from R21 785 per kilogram in January 1986 to R30 649 per kilogram in October 1986: The attention of shareholders is drawn to the fact that the above transaction may be closed out prior to maturity date, or rolled over at any time. The effect of transactions closed out during the quarter is brought to account in workin revenue. Predaction The aquare metres mined was adversely affected by 6 breakdown in the cooling plant serving the West sub-indine area. Cinemakers Company Registration No. 64/02378/06 (A subsidiary of Stilfontein Gold Mining Company Limited) issued capital – 1 000 shares of R1 each. OPERATING RESULTS Cuarter coded ended ended ended the control of
WINKELHAAK Mines Limited Company Registration No. 55/03606/06 Issued capital – 12 180 000 shares of R1 each. Operating Results Operating Results Output Operating Results Output Operating Results	Tons	Advanced an reef (m) 2327 2853 5180 Sampled (m) 2103 2815 4718 Channel width (sm) 62 95 64 Average value – gold (gr) 16,7 16,2 17,2 (cm.g/t) 158 1056 1101 REMARKS Capital expenditure Amounts approved not yet spent – R19 685 000. Commitments in respect of contracts placed – R4 924 000. Sundry expenditure This figure is made up mainly of interest payable to Beatrix Mines Limited. Gold forward sales Gold working revenue includes the effect of closing out of forward sales Contracts during the quarter.	REMARKS Capital expenditure Amounts approved not yet spent—R110 000. Commitments in respect of contracts placed—nil. Dividenda On 2 December 1985 a dividend of R8 million was declared payable to share holders registered on 13 December 1985.
Mined (m²) 157 017 158 538 Ore milited (t) 601 000 605 000 Gold produced (t) 601 300 355 14 Viold (t) 5,5 5,8 Warking revenue (this miled) 52,61 48,91 Working costs (fift milled) 52,61 48,91 Working income (fift milled) 59,87 83,12 Gold price received (fift miled) 59,87 83,12 Gold price received (fift miled) 27 603 225 10 Grant Costs (fift miled) 59,87 83,12 Gold price received (fift miled) 27 603 225 10 Grant Costs (fift miled) 27 603 225 10	Gold forward sales Working revenue includes the effect of closing out of forward sales contracts during the quarier. Borebole results An exploration programme, consisting of 2 surface boreholes, was completed during the quarter. The results are as follows: Borebole Depth Width Value	Safety The mine has maintained its excellent safety record and completed 2 million underground fatality free shifts on 16 November 1985. Distribution of Income After adjustment of interest paid on the bridging finance toen and retaining R1.06 million, an amount of R5.04 million was attributable to Buffelsfortien and R5.64 million was distributed to the preference shareholders on 13 December 1985.	Gold Mines Limited Company Registration Ns. 05/20743/06 Issued capital - 8 625 000 ordinary shares of R1 each10 115 070 cumulative preference shares of R1 each00 115 070 cumulative pr
Working revenue	The GROOTVLE! Proprietary Mines Limited Company Registration No. 01/02088/06 Issued capital—11 439876 atook units of 25 conts each.	WEST RAND Consolidated Mines Limited Company Registration No. 01/01978/06 tesued capital - 4 250 000 ardinary shares of R1 each. 25 000 deferred shares of R2 each. Quarter Quarter anded ended ended ended	155 152
DEVELOPMENT - Kimberley Reef (m) 4 249 4 542	OPERATING RESULTS Quarter ended ended ended on ended of ended of ended of ended of ended of state of ended	Mined	Working Income
KINROSS Mines Limited Company Registration No. 63/06228/06 Issued capital – 18 000 000 stock units of R1 each. Operating Results Justier ended 30.9, 1985 31:12.1985 31:12.1985 31:12.1985	FINANCIAL RESULTS (R'000) Working revenue 46 549 36 145 154 703 Working revenue 28 887 25 537 96 607 Working income 10 662 10 608 56 096 Sundry income - net 623 1146 4 236 Tribute and royatices - net (282) (42) (393) Income before taxation 20 003 11 712 59 398 Taxation 10 375 4 772 30 905 Rogardina 20 005 Respectively 3 300 2 457 7 683 20 10 867 20 1	Working income	Advanced (m) 3651 1035 3348 894 12641 3770 Advanced on reel (m) 269 565 188 533 011 2248 Sampled (m) 210 506 231 505 887 2075 Channel width (m) 96 148 87 122 96 154 Average valua - 0sid (grt) 4.4 2.8 6.9 3.8 7.2 3.1 (cm.grt) 4.4 2.8 6.9 3.8 7.2 3.1 ORE RESERVES as at 31 December 1985 Un- Available evailable accessible mine Tans (000's) 7420 3120 240 10780 Stope width (cm) 123 123 122 123 Value - gald (pr) 9.16 8.37 11.25 8.99 Value - gald (pr) 1129 1030 1372 1106
Cre milled (kg) 3 850 3 712 Gold produced (g/r) 6.5 6.8 Yield (g/r) 6.5 6.8 Working revenue (g/r) 19.13 145,64 Working costs (g/r) 19.22 15,72 53,36 Working income (g/r) 123,41 92,28 216,00 Working income (g/r) 27 628 21 941 92,28 Gold price received (g/r) 335 322 FINANCIAL RESURTS (R'000) 100 314 81 850 Working Costs 31 203 29 967 Working Income 69 111 51 863 Working Income 3,379 4,705	S1.12.1985 S0.9.1985 Kim- Stack berley Black berley Black berley	Channel width	Ore reserve pay limit is calculated in an estimated gold price of R24 000/kg. REMARKS Capital expenditure Amounts approved not yet apent — R48 170 000. Commitments in respect of contracts placed — R10 580 000. Dividends On 2 December 1995 dividend No 61 of 290 cents per share was declered payable to members registered on 13 December 1995. Dividend warrants will be posted on 30 January 1996. No, 10 Shaft The shaft has reached a depth of 1 229 metres and 4 of the 5 stations have been excavated.
Sundry income	Tons	Capital expenditure Amounts approved not yet spent – R1 418 000. Commitments in respect of contracts placed – R41 744. Dividends On 2 December 1985 dividend No. 108 of 80 cents per ordinary share and dividend No. 99 of R45,34 per deferred share were declared payable to members registered on 13 December 1985. Dividend warrants will be posted on 30 January 1985. Domp trilling A total of 105 340 tons (September quarter 124 240 tons) of sand from the North Sand Dump and silmes from No. 1 Silmes Dam was treated. Gold forward selee In order to ensure the profitability of its mining operations, the mine has sold forward its expected gold production to October 1985. Prices range from R21 763 per kilogram in January 1985 to R29 841 per kilogram in October 1985. The attention of shareholders is drawn to the fact that the above transactions may be closed out prior to meturity date, or rolled over et any time. The effect of transactions closed out during the quarter is brought to account in working revenue.	NOTES 1. Development values quoted above represent actual results of earspling. No allowance has been made for any adjustments which may be, or were, necessary when estimating ore reserves as the end of the financial years. 2. All financial figures are unsudited. 3. The quarterly reports have been approved and signed on behalf of the respective companies by two directors. 4. Unavailable are reserves are reserves which cannot be made available for mining during the next 12 months. Inspectable are reserves are reserves which may only be mined towards the end of the life of the mine. Johannesburg, 16 January 1986 Copies are available from: London Office, 30 By Pisce, London, ECIN 6UA

Big Swiss

banks to

cut bond

commissions

SWITZERLAND'S BIG bank

syndicate, which dominates the Swiss franc bond market, is reducing its commissions, in order to attract foreign bor-rowers, according to a com-munique from Union Bank of

munique from Union Bank of Switzerland.

The syndicate is also intro-ducing e more flexible quota system among its members, allowing those who do not wish to take up underwriting com-mitments to waive them, with

other members taking up the This move will "make it possible to give improved con-

sideration to the requirements of the individual institutions."

UBS said.

The feece tting action by the hig syndicate is a response to the increasingly aggressive penetration of the Swiss franc

sions but a spokesman said it would incorporate a direct cut

in fees on issues with shorter maturities of eight to 10 years

and a flattening of the fee structure on longer maturities

np to 30 years.

A banker from a competing

syndicate said the standard fee operated by the big bank syndi-

cate was 3.75 per cent on s 10-year issue. Other syndicates had been charging 3 per cent

plus oot-of-pocket expenses on 10-year issues, giving an overall

fee of around \$1 per cent.
On the longer maturities,
bowever, the big syndicate had
alresdy started to conform with

the lower fees charged by rival syndicates, the banker claimed.
One problem has been that with the easing of commissions

on longer-term bond issues e 15-year issue has come to have the same fee as a 12-year issue

in contradiction of the accep-ted standard that the fee should

increase or decrease by i per cent per year of maturity. The big syndicate was seen as try-ing to correct this anomaly by

yesterday's move. The big syndicate, which

By William Dullforce in Geneva

Further gains in Eurodollar sector

ANOTHER DAY of recovery in the Eurodollar market, with prices rising by \(\frac{1}{2}\) to \(\frac{1}{2}\) points above the 10-year US Treasury bond. Traders said the bonds were hid outside the full fees at the close yesterday, while syndication was still in progress.

In the Euro-D-Mark market the first floater issue of the year was launched, for Austria.

Procter \(\frac{1}{2}\) Gamble, the US consumer products group, has an AAA rating and is a popular name with Eurobond investors.

Even so, some dealers said the Terms were fixed at an \$\frac{3}{4}\$ per cent above Libor with a \$200m issue would be slow to sell unless the market races ahead once more, because the terms set were aggressive. Goldman Sachs once again won the mandate, though against limited competition.

The maturity was fixed at 12 years, and the bonds are non-callable, with a coupon of \$\frac{9}{4}\$ per cent, gives the borrower as total 73 basis points.

Although the coupon looks attractive for this sovereign name, which has not borrowed in the floater market before, the bonds may not find strong interest since investors have become disenchanted with gar floating-rate note in the sovereign name, which has not borrowed in the floater market before, the bonds may not find strong interest since investors have become disenchanted with gar floating-rate note in the sover fallen sharply and investors have lost money. As a

Tokyo plans

study of stock

index futures

By Yoko Shibata in Tokyo

THE TORYO Stock Exchange,

which launched a futures con-tract on Japanese government bonds last year, is to undertake a study of stock index futures. Mr Michio Takeuchi, the

exchange's president, acknow-ledged that investor enthusiasm

for index futures would need to be generated, but said that

the study should be mode before demand surged. The

study will be carried out by the Securities and Exchange Coun-

The Osaka Stock Exchange,

which has been conducting o similar study since 1983, is

lobbying the Ministry for per-mission to begin trading the

futures this year.

The Tokyo exchange also

faces competition from the Singapore International Mone-

Singapore International Mone-tary Exchange (Simex), which plans this year of introduce futures on the Nikkei average of 225 shares.

Sydney Stock Exchange (SSE), whic already trades gold and silver options, will today introduce traded cur-

rency options on the Australian

dollar. The contract will be US\$10,000 expressed in Australian dollars, a tenth of the size of options already traded

on the Sydney Futures Exchange.

The SSE has a link with the Montreal and Vanconver stock

coupon of 1 per cent over Singapore inter-bank offered rate (Sibor) and fees total 150 basis points. The issue was not traded actively in London vesterias yesterday.

Austria's D-mark floater was originally planned at DM 1hm but emerged at DM 500m. It will be increased to reflect co-managers' demand. The issue has a 12-year maturity and the interest rate will he fixed at 1 per cent above Libor with a maximum of 8 per cent. Fees total 73 basis points.

Although the coupon looks attractive for this sovereign name, which has not borrowed in the floater market before, the bonds may not find strong Austria's D-mark floater was

result, lead manager CSFB-Effectenbank took the unusual syndication route. The Swiss franc foreign bond

market was stable yesterday.
The rush of new issues continued. Ireland is raising
SFr 150m through a 10-year
public deal. UBS set the coupon at 51 per cent and issue price at par, terms which other syndicate managers thought tight.

Humana, the US health care group, launched a SFr 120m 12-year issue, led by Morgan Guaranty (Switzerland). This has a 53 per cent coupon and par issue price and is swap-related

Generale Occidentale, the French-based holding company of Sir James Goldsmith, chose Soditic to lead a SFr 100m 10-

More renegotiations for ENEL

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

It is asking for new terms on the halance of a \$500m, eight-year loan signed in 1980 and carrying interest at a margin of per cent over US or Canadian prime rates.

The charges, for which participating banks are being offered a per cent renegotiation fee, involve a new margin of 45 basis points over the US domestic certificate of deposit rate or } per cent over the London Inter-bank offered rate (Libor) for Canadian dollar deposits.

Affected is the balence of the credit or \$180m in US currency and C\$120m. Citicorp is egent for the US doller tranche and Bank of Montreal for the

e Euronote option and is de-signed principally to back up the issue of commercial paper in the US. The borrower reckons that it is making a sub-etantial cost saving on the annual commitment fee for a annual commitment fee for o Eurocredit rather than a US domestic borrowing.

The fee starts of 10.5 basis points, but if the credit is used for more than 180 days it will rise to 12.5 points. Drawings will bear interest et e margin of 15 basis points over Isbor, though this margin will rise after 90 days' cumulative usage to 20 points.

Bank of Montreal for the last year has been thou commit-distribution methods created Canadian portion.

Elsewbere Beneficial Corporation, the US consumer finance tic, though this has led to fierce deposit.

FLUSHED WITH the success of company, is raising \$200m resistance from US banks its recent \$300m Euronote through a five-year revolving against joining US corporate facility, ENEL, Italy's electricity credit led by Credit Suisse First deals when they think their utility, has turned its attention once more to renegotiating Umusually for a corporate of the company of Mindful of this CFSB is not inviting any US banks to join the Beneficial deal. Participants are expected to be European and Japanese hanks look-

ing for a spin-off in the form of management position; in any future Eurobond deals launched

Among other new deals this week, Chuo Trust, the Japanese investment house, has launched a \$200m certificate of deposit programme with Citicorp as sole dealer. Certificates of deposit are similar in most respects to Eurocommercial An ettraction of the Euromar-kets for US borrowers since last year has been that commit-distribution methods created

German utility to raise DM 500m

Elektrizitätswerk (RWE), West terms of which have yet to be gramme, which will partly be Germany's biggest electricity fixed, will take place shortly utility, is planning a warrant after the company's annual issue of bonds of up to DM 500m meeting on February 27. Sharein the next few weeks, to help binders are likely to be asked to finance its current five-year in-

finance its current five-year investment programme, worth in the authorised capital from some DM 15bn, writes Rupert the current DM 2.25bn.

Cornwell in Bonn.

Mr Friedhlem Gieske, an crease its tariffs on July 1 to watt hours.

RWE boosted turnover by 6.2 per cent to DM 15bn. The total of electricity supplied climbed by 3.5 per cent to 125.9bn kilowatt hours.

RHEINISCH - Westfalisches terday that the offering, the help finance its investment pro-

includes among its members all the big five Swiss banks—Union Bank of Switzerland, Swiss Bank Corporation, Credit Suisse Swiss Volkshank and Bank Leu-still holds some 70 per cent of the Swiss franc bond

Goldman Sachs man recruited by Merrill

MERRILL LYNCH Europe is to seek a greater role in syndicating internstional equity issues with the appointment of Mr
Richard Lutyens, a Goldman
Sachs vice president, as a
managing director in its investment banking group.
Mr Lutyens will be responsible for originating new issue
business for syndication by
Merrill, working with the investment bankers in the home
countries of issuing companies.

countries of issuing companies. Although Merrill plays a substantial role in the developing international equity market, it has not so far led any Euroequity issues—where Eurobond syndication methods are used. Merrill, as well as distribut-ing shares in US companies worldwide, is among the US securities houses which are active in round-the-clock share trading,

DOMESTIC BOND MARKETS

Fresh buying in Frankfurt

Domestic bond prices ended higher in ective bourse trading in Frankfurt, with foreign and domestic investors opening fresh positions after the US credit

Trading was extended for the fifth time in the New Year due to beavy turnover in shares. The longer end of the bond market gained- most strongly, adding around 35 plennigs, while short maturities rose by as much as 10 pfennigs. The relative stability of the dollar under-planed the rises.

Zurich up slightly

In Zurich, government bond prices rose slightly where changed. The two 41 per cent Swiss Federal bonds listed on the primary market rose 0.25 points each and both closed at 102.5 per cent. Swiss Bank Corporation is

Swiss Bank Corporation is issuing a minimum SFr 200m 25-year domestic straight bond with a 5 per cent coupon and par issue price. The bond can be called after 15 years et 102½. It is on sale until January 23 with payment due February 10.

EdF issue planned The State-run Electricite de Franca (EdF) is planning to launch a domestic bond issue expected to he up to FFr 5hn. EdF said it had requested Treasury authorisation for an issue towards the end of January hut declined to comment on the amount on the amount or terms.

Paris wakes up to the threat from London

"WE DON'T want the denationalisations to take place in London," says one of France's top investment bankers. His remark sums up the challenge facing the French financial community as the Peris market prepares for a series of flottions of French state-owned companies later this year.

Coupled with the deregulo-Coupled with the deregulo-tory measures promulgated by Mr Pierre Reregovoy, the Finance Minister, the prospect of privatisation after the prob-able return to power of a Right wing government in the March elections is leading to an unprecented shake-up of the Frnech financial scene.

The Paris bourse is struggling to cope with the introduction of new computerised trading techniques, planned to start up gradually in July, as well as of a futures market in bonds, likely to start in mid-February after several months' delay.

issuing market by foreign — especially American — banks operating together with the Both measures are necessary Both measures are necessary to speed up the adaptation of the Paris market to the continuing boom in trading volume for bonds and equities. Additionally, Paris banks and brokers are aware that the prospect of sales of state holdings, allied to the increasing competitive muscle of London securities houses, is increasing further the risk that placement and trading business could smaller syndicates.
UBS would not disclose the precise reduction in commisand trading business could migrate from Paris to London.

As a sign of the upheaval in Paris, bond market trading last Paris, bond market trading last year rose 75 per cent to FFr 717.4bn compared with 1984 when turnover was already 85 per cent up on 1983. Last year's volume was nearly 12 times the total in 1990.

Equity market volume lest year rose in Paris to FFr 142bn, 50 per cent up on 1984 and a rise of nearly 150 per cent from 1980. Equity market capitalisation in Paris at the end of last year was Fr 642.6bn, three times higher than at the end of 1982, while capitalisation

has been experiencing a range of head-hunting exercises and financial regroupings which are starting to take on a distinctly Anglo-Saxon flavour.

Most notable has been the departure announced last week of Mr David Dautresme, the



Mr David Dautresme, leaving Credit dn Nerd for Lazard

chairman of Credit du Nord, to bead a new financial services department of Lezard Freres. Several small but combative eecurities and money broking bouses have recently been set up to profit from the buoyant market conditions. Apart from new opportunities in bond futures trading, operators have also been structed by such sreas as commercial paper. Starting in December, the mar-ket in paper issued by large companies has already totalled nearly half the FFr 10hn total being predicted by the Finance
Ministry for the whole of 1986.

A cluster of foreign banks,
including leading operators
such ae Credit Suisse First Boston which are not yet directly present on the Paris

WE DON'T want the denationalisations to take place in
London, says one of France's of head-hunting exercises and
top investment bankers. His
remark sums up the challenge
facing the French financial
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The

top French state-owned com-panies have during the last few weeks been actively preparing to bring in private capital after the elections. "The market is likely to be tore clutered in June than January," remarked the managing director of a top state controlled company yester-

day.

The Compagnie Financière de Suez industrial and financiol bolding company is expected to rejease details inter this month of a financing exercise likely to pave the way for the issue of voting shares to the public. Thomson CSF and Alcatel, both majority owned by nationalised companies, heve made no secret companies, heve made no secret of their wish to dilute the State's stakes in their capital. Alcatel is likely to issue next month up to FFr lbn in convertible bonds—although officials at the group say at present this will not lead to any dilution in the 68 per cent stake owned by the nationalised CGE group.

Rhome Powlenc which offered

Rhone Poulenc, which offered FFr 1.14bn in non-voting loan stock (certificates d'investissstock (certificates d'investiss-ment) on the Parie market in October, has made clear this week, through Mr Loik Le Floch Prigent, its chairman, that it faces "with equanimity" the prospect of privatisation.

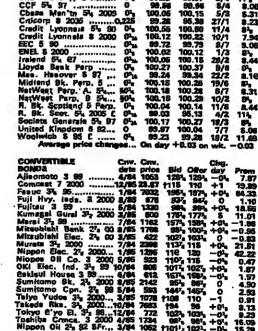
The CI issue caused contro-

versy in Paris beceuse of the role played in placing the sheres abroad by Dillon Reod's London investment hanking arm, beaded by Mr Pierre Moussa, the former Paribas cheirman who was forced to resign by the Socialist directly present on the Paris government in 1981 in a row scene, have been pondering possibilities for setting up say that heavy foreign demand shop. A further enticement is the recent weeks may mean that as prospect that remaining French much as 60 per cent of the exchange controls will progressissue is in foreign hends, sively be phased out after the elthough Rhone Poulence of the bond market doubled sively be phased out after the elthough knone round over that period to FFr 1,540bn. March elections, This would officials say this estimate is Against this background, it open the way for more innove- exaggerated.

FT INTERNATIONAL BOND SERVICE

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October 1985 This announcement	eppears	aş	matter o	f record only



Companhia Nacional de Petroquímica, EP

DEM100,000,000

Fixed Rate Loan

Arranged by

Lloyds Merchant Bank Limited

Lead Managed by Bankers Trust International Limited The Daiwa Bank, Limited The Mitsubishi Bank, Limited Schröder, Münchmeyer, Hengst & Co., Bank The Sumitomo Trust & Banking Co., Ltd The Toyo Trust and Banking Company, Limited

Provided by Bankers Trust Company The Daiwa Bank, Limited The Mitsubishi Bank, Limited Schröder, Münchmeyer, Hengst & Co., Bank The Sumitomo Trust & Banking Co., Ltd The Toyo Trust and Banking Company, Limited



Agent Bank

INTL. COMPANIES & FINANCE

Wong Sulong on a confrontation between two former friends

Battle for Promet comes to a head

Brian Chang, Singapore engineer turned businessman. The meeting next week is being held at the request of share holders tucluding Morgan Grenfell nominees, and is aimed at removing Tan Sri Ibrahim as Promet's chairman. Datuk Chang has danied at Datuk Chang found himself took.

Sian Prime Minister.

The Minister.

The Ibrahim-Chang partnership also came at a time of improvement in the political and business environment between Malaysia and Singapore after many years of frosty relations.

By the saddanied of Idris Hydraulic, the listed vehicle of the ruling United Malays National Organisation. Datuk Chang found himself having to spend more and more time in Kuala Lumpur.

The fortunes of Promet also took a sharp downturn with the fall-off in orders for oilvies.

during their student days in London. Their split casts a big question mark over the future direction of Promet, the marine engineering and construction group which has more than 100 companies incorporated in 12 countries, including Maleysia, Singapore and Hong Kong.

30s, the two took over the loss-making Bovis South East Asia from P & O of the UK, renamed it Promet (short for named it Promet tono.

Progressive Methods), and turned it into one of the most turned it into one of the most than the shares on the

removing Tan Sri Ibrahim as Promet's chairman. Datuk Chang has danied that he is behind the move, although Morgan Grenfell has acted for him in the past.

Expected to lose

It is widely expected by financial analysts in Kuala Lumpur that Tan Sri Ibrahim will lose the contest. Datuk Chang and his family own between 30 and 40 per cent of Promet, while Tan Sri Ibrahim's stake is believed to be about 10 per cent.

The two men were friends during their student days in London. Their split casts a higher that the chall his days when it the contest of the company at only 268m ringgit. It now ranks 77th on the KLSE. From pre-tax profits of 115m ringgit in 1983, earnings fell sharply to 68m ringgit in 1984, and 14.5m ringgit for the first six months of 1985.

In the heady days when it

In the heady days when it. seemed almost nothing could go wrong, Tan Sri Ibrahim, as executive chairman, operate engineering and construction group which has more than 100 companies incorporated in 12 countries, including Maleysia, Singapore and Hong Kong.

In 1980, while in their late cerned himself with oil rigs and maring engineering words.

marine engineering works. Commitments were often mede by one party and later confirmed over the telephone with the other. "It was a very

A SIMMERING battle between two prominent businessman from Malaysia and Singapore stock market favourite among local and foreign investors alike—is now in the open and is due to be resolved at an extraordinary general meeting next Wednesday.

It pits Tan Sri Ibrahim Mohamed, flamboyant Malaysian entrepreneur, egainst Datuk Brian Chang, Singapore engineer turned businessman. The meeting next week is being held at the request of share-holders tricingly market and business environment behalders tricingly market flavourite and Singapore stock at banker familiar with the Promet group.

Strains emerged when Tan Sri Ibrahim business interests. He became a diversify his business interests. He became a major shareholder in Selangor Properties, which is developing 54 acres of commercial land in Kuala Lumpur end is caught in the office property glut. He also became maneging director of Idris Hydraulic, the listed vehicle of the ruling United bits 19 per cent stake in Selangor Properties into a bead when the former signalled his intention to inject bits 19 per cent stake in Selangor Properties into a bead when the former signalled his intention to inject bits 19 per cent stake in Selangor Properties into a bead when the former signalled his intention to inject bits 19 per cent stake in Selangor Properties into a bead when the former of Idris Hydraulic, the listed vehicle of the ruling United bits 19 per cent stake in Selangor Properties into a bead when the former signalled his intention to inject bits 19 per cent stake in Selangor Properties into a bead when the former signalled his intention to inject bits 19 per cent stake in Selangor Properties into a bead when the former of Idris Hydraulic, the listed vehicle of the ruling United bits 19 per cent stake in Selangor Properties, which is developing in the Usago Selangor Properties, which is developing in the Usag

tion industry, and this aggra-vated matters.

Several major investment decisions now eppear to have been ill-timed. In 1983, Promet committed US\$160m to oil exploration in China, Indonesia exploration in China, indonesia and Malaysia and, despite opti-mistic remarks by directors, these investments are not expected to yield the rewards commensurate with the risks

Lukewarm interest

government franchise to develop Langkawi Island in northern Malaysia into e major tourist resort. The project is expected to cost more than US\$1bn, but foreign and local investors have so far shown lukewarm interest in participating in various opportunities offered by tha project.

Meanwhile borrowings had steadily risen to 270m ringgit, which while not dangerously high, were a cause for concern.

Tan Sri Ibrahim and his brother, Abdullah, who is also

He was believed to have obtained the 55m shares at around 3 ringgit per share, while the market price is below 1.4 ringgit.

Datuk Chang refused to agree because of the price. Tan Sri Ibrahim was reported to have countered with an offer to bny his partner's stake in Promet, which was also turned

Both men maintain that despite its present difficulties Promet is in reasonably good shepe, with a viable future. The oll rig business with areas of marine engineering has been trimmed, with the loss of 2,500 jobs over the past two years.
Promet has construction activity worth several hundred million ringgit in hand.

Tan Sri Ibrahim believes that Malaysia, is perceived by the Malaysian Government ea a foreign company, and loses out on major contracts because of this. He wants it to increase the level of locally held equity.

Whether he has his way, or finds himself out of the company, will be decided et the meeting on the 33rd floor of Promet Towers Lumpur next Wednesday.

"Two tigers cannot stay on relaxed relationship, and for a a director of Promet, are in one mountain" is how one while, it worked ont well," said addition believed to be saddled banker described the split.

\$36,500,000 **New Jersey National Corporation** 81/4% Convertible Subordinated Debentures Due 2010 We acted as agent in the placement of these debentures. Bear, Stearns & Co. Inc. New York/Atlanta/Boston/Chicago/Dallas/Los Angeles/San Francisco Amsterdam/Geneva/Hong Kong/London/Paris lanuary 1986

Hydro-Québec

This announcement appears as a matter of record only.

CAN. \$250,000,000

Floating Rate Debentures Serie GD Due 1991 arranged by

NATIONAL BANK-OF-CANADA-

September 1985

Weekly net asset value

Tokyo Pacific Holdings (Seaboard) N.V.

on 13th January 1986 U.S. \$106.45

Listed on the Amsterdam Stock Exchange

Information: Plerson, Heldring & Pierson N.V., Herengracht 214, 1016 B\$ Amsterdam.

Malaysia—Singapore exchange ties attacked BY WONG SULONG IN KUALA LUMPUR

merchant banker, who is advis- exchanges. ing the Government on reforms in the accurities industry, has

Datuk Malek Marican, managing director of Arab Melayslan mg director of Arab metaysian Merchant Bank, said the "Siamese twin" reletionship between the two stock markets was historical, and the current problems relating to forwardshare purchase contracts—blown up by the crisis in Pan-Electric need to ask whether such close blocks

in the accurities industry, has called for a re-examination of the close links between the Malaysian and Singapore stock exchanges, with a view to severing some of these ties.

Malaysian authorities no longer allow new Singapore companies to be listed on the Kuala Lumpur Stock Exchange (KLSE), new Malaysian companies are still allowed ex listing on the Stock Exchange of ing on the Stock Exchange of Singapore (SES). As a result, 183 of the 315 companies on the SES are Malaysian-based. These companies eccounted for 52 per cent of the volume of all shares traded on the SES in 1984, the latest year for which figures are available.

LEADING Malaysian links were beneficial to either thank banker, who is advisue exchanges.

He noted that while the accurities industry, has for a re-examination of allow new Singapore companies.

How new Singapore companies from list-top to now tend to trade in the singapore and Hong Malaysian shares through the such Singapore brokers,"

Malaysian companies from list-top to now tend to trade in through the such Singapore Singapore Malek said.

Malaysian companies from list-top to now tend to trade in through the such Singapore and Hong Malaysian authorities no longer Malek said.

A substantial portion of SES transactions in shares of sion, with a full-time commission, with a full-time commissioner and strong secretariat, to speculative second and third liners, rather than the blue history.

At the moment, the supervision

miners, rather than the blue chips, he noted.

"In fact, a portion of the more dublous transactions that occur in Singapore relate to the more speculative Malaysian, shares. It is common knowledge that syndicates which try to rig share prices operate on both sides of the Causeway."

Datuk Malak mild Malaysian securities industry.

At the moment, the supervision of the industry is split among the kI.SE committee, the capital issues committee, the foreign investment committee and the occur in Singapore relate to the industry is split among the kI.SE committee, the foreign investment committee and the occur in Singapore relate to the industry is split among the kI.SE committee, the foreign investment committee and the occur in Singapore relate to the industry is split among the kI.SE committee, the foreign of the industry is split among the kI.SE committee, the foreign of the industry is split among the kI.SE committee, the foreign of the industry is split among the kI.SE committee, the foreign of the industry is split among the kI.SE committee, the foreign of the industry is split among the kI.SE committee, the foreign of the industry is split among the kI.SE committee, the foreign of the industry is split among the kI.SE committee, the foreign of the capital split is split among the kI.SE committee, the capital split is split among the kI.SE committee, the foreign of the capital split is split in the industry is split among the kI.SE committee, the capital split is split i Industries, the Singapore "Malaysie clearly needs to sides of the Causeway." and their merchant bank marine salvage and property improve the capacity of its Datuk Malek said the advisers encounter long delays group—have highlighted the sharebrokers to trade in bigger Malaysian authorities should in getting proposals approved international consider preventing smaller by all these bodies.

Japanese store operator starts investment advice

Guaranteed Floating Rate Notes due 1986

Payment of the principal of, and interest on, the

THE NIPPON CREDIT BANK LTD.

(Kabushiki Kaisha Nippon Saiken Shinyo Ginko)

In accordance with the provisions of the Reference Agency Agreement between the Nippon Credit Bank (Curação) Finance N.V. and Citibank, N.A., dated July 1, 1979, notice is hereby given that the Rate of Interest has been fixed at 8½% pa and that the interest payable on the relevant interest Payment Date, July 16, 1986 against Coupon No. 14 will be US\$ 42.74.

lanuary 16 1986, Landon By: Citibank, N.A. (CSSI Dept.), Agent Bank CITIBANCO

iberpistas

U.S.\$18,000,000 Serial Floating Rate Mortgage Notes Due 1986

For the six month period 15th January, 1986 to 15th July, 1986

the Notes will beat an interest rate of 91/6% and a coupon, amount of U.S.\$229.39 payable on 15th July, 1986.

ionally and irrevocably guaranteed by

BY YOKO SHIBATA IN TOKYO

DAI'EI, Japan's largest super- Dai'ei. DAI'EI, Japan's largest superryrket chain operator, is next
month to launch an investment
advisory business in co-operation with Morgan Grenfell, the
UK merchant bank.
Dai'el Investment Advisory
company, the new subsidiary,
is believed to be the first investment counselling business to
be launched by a non-financial

Dai'el.

At the initial stage it plans
management for the pool of
surplus funds within the Dai'el
group. It intends to accumulete
fund management expertise,
vying in the future with those
investment advisory companies
affiliated to commercial banks
affiliated to commercial banks

be launched by a non-financial institution in Japan. It will be Tokyo-based and, although capitalised at just Y100m (\$33,000) will be heeded by Mr would supply it with fund Isao Nakauchi, presidant of management advice.

Gencor mines earnings lifted by gold price rise

BY KENNETH MARSTON, MINING EDITOR

gold mines in the Gencor group gold mines in the Gencor group in the December quarter rose to R26,829 per kilogram from R22,278 in the previous three months. Among the resultant profit increases, Buffelsfontein showed up well with a rise of nearly 50 per cent to e net R47.8m (£14.1m or \$20.3m).

Gold production at Buffels was lower in the latest quarter. but pranium revenus recovered

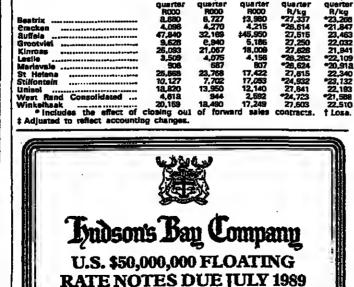
but uranium revenus recovered sharply from tha low level of profits by 44 per cent further to R9.68m. THE NIPPON CREDIT BANK (CURAÇÃO) FINÂNCE N.V. US\$50,000,000

THE AVERAGE gold price received by the 12 South African in the December quarter and also qualified for a tax credit. Stilfontein received e lower than-average gold price and the tax charge was inflated by an adjustment arising from the replacement of the state aid formula by the mining formula

However, the mine still emerged with a higher net profit thanks to the receipt of a half-yearly dividend from the Chemwes uranium treatment subsidiary. The change in the the previous three months and tax formula also resulted in a first share of moome (R5m) higher tax for Lesile, which was received from the young consequently came ont with a Beetrix mine. The latter lifted

Bracken also earned less in the latest quarter. Gold produc-The marginal West Rand Con- tion fell in line with a lower

GC	HINE CLA	RESULT	3		
		ET PROFI	TB	GOLD I	
	Osc	Sept	June	Dec	Sept
	quarter	guerter	quarter	Quarter	querter
	RODO	R000	ROOD	R/kg	R/ka
Bestrix	8,880	6.727	13,980	27,337	23,265
	4.096	4.270	4.215	*28.514	*21,847
	47,840	32,169	±45,950	27,515	23,463
Auffela	9,628	e.940	5.186	27.250	22,032
Grootviei	25.093	21,067	18,008	27,628	21,941
Kinross	3,509	4,075	4,156	26.262	*22,109
Lesile	908	587	807	*26,624	*20,91a
Mariavale	25,668	23,768	17.422	27.615	22,340
St Helena	10,127	7.702	17,053	24,932	*23,132
Stiffontein	18.826	13,950	12,140	27,841	
description of the second		944	2,592		22,193
West Rand Consolidated	4,612	18,490	17,249	*24,723	*21,588
Winkelbaak	20,159			27,603	22,510
Includes the effect of c	mand on	OL LOLAN	ard sales	contracts.	† Losa.
# Adjusted to reflect accountly	g changes.				
H		4 .			7111
					1111
BII .	Sellin	5			18



Company London, AIBD BOND INDICES WEEKLY EUROBOND GUIDE JANUARY 10, 1986

1.466 2.628 --0.377 US Dollar 11.074 13.190 7.790 10.330 11.713 7.830 Canadran Dollar 6.084 9.190 6.084 9.483 Euroguilder Euro Currency Unit 10.770 6.850 Sterling Deutschemark 1.022 Bank J. Vontobel & Co. Ltd., Zurich - Telex: B12744 JYZ CH

In accordance with the provisions of the Notes, notice is hereby given that the rate of interest for the six month period (181 days) from 16th January, 1986 to 16th July, 1986 has been fixed at 81/2% per annum.

Interest payment date will be 16th July, 1986. Payment which will amount to US\$1,273.61 per US\$100,000 Note, and US\$42,736.11 per US\$1,000,000 Note will be made against surrender of the relevant Coupon.

> CANADIAN IMPERIAL BANK OF COMMERCE



For the six months
15th January 1986 to 15th July 1986
the Noles will carry an interest rate of
7% per annum and Coupon amount of
U\$\$395.94 per U\$\$10,000 Note, payable
15th July, 1986

CRÉDIT D'ÉOUIPEMENT

DES PETITES ET MOYENNES ENTREPRISES

Bankers Trust Company Londo

Agent Bank

This announcement appears as a matter of record only.



800,000 Shares

United Virginia Bankshares Incorporated

Common Stock

The undersigned acted as agents in the direct placement of the shares with institutional investors in Europe.

Shearson Lehman Brothers Inc.

Morgan Stanley & Co.

December 23, 1985

to a record pre-tax £129.6m, e 19 per cent increase on its pre-vious £108.9m, Trusthouse Forte has bettered market expectations for the year to end-October 1985.

At the interim stage, with profits of £39.2m (£35.4m) the directors looked forward to a full year of continuing progress, and they now say that the group's current trading is comfortably ahead of last year, with the trend continuing to be seen in forward bookings. bookings. Mr Rocco Forte, chief execu-

Mr Rocco Forte, chief executive, said yesterday that "the outlook for the current year is excellent and performance in the first two months is well ahead of last year."

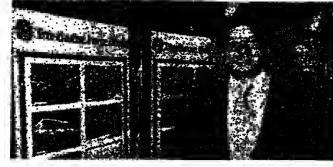
The final dividend is steppad up to 4.18p (3.62p), making an increased total payment of 5.45p against 4.74p. This is covered twice by stated net earnings of 11.11p (3.84p) per share.

At the interim stage the results

11.11p (9.84p) per share.

At the interim stage the results of Savoy were included for the first time. THF bolds a majority of the Savoy's ordinary shares but has been unabla to gain control of the crucial B voting shares. Savoy's results are again included under share of profits of subsidiary not consolidated.

is etill trying to discover the beneficial shareholders behind the Childs Nominees bolding which ecounts for about 5.8 per



Mr Rocco Forte, chief executive of Trusthouse Forte: current outlook excellent.

cent of Savoy voting shares. Total group turnover moved shead from £1.13bn to £1.24bn and generated e gross trading profit of £134.3m (£152.1m), from which depreciation accounted for £42m (£37.2m).

Sales in the UK botels divi-

Sales in the UK botels divi-sion rose by 13 per cent to £354m and achieved trading profits £17.3m ahead at £81.8m. Over shares. Savoys results are again included under share of profits the past five years trading marof subsidiary not consolidated, and amount to £6.5m (£4.3m).

Mr Rocco Forte said that THF is etill trying to discover the occupancy rates in UK botels had risen by three percentage points, which was well ahead of the national average.

He added that the group was

In the US the group's botels performance was stable et £13.8m (£13.8m), which, given the general industry trend there, was encouraging. Although occupancy rales and room rates bad increased, so had costs, Mr Forte said

In Europe and elsewhere the hotels side improved from £10.7m to £17.6m. THF is plan-

Magnet & Southerns ning to expand its Post House operation in Germany and Italy.
The catering division had a strong year across the board, and trading profits rose by £5m to £28.im. The group opened 29 new Little Chef units during the year, and plans a further 40 in the current year, Mr Forte said. margins

Its first Little Chef Lodge. a small budged-priced hotel, has also been opened. The company expects to open a further 11 this year and have 100 in operation by 1990.

THF's other interests, which include oil, added £5.1m (£4.2m) to trading profits. Central costs look e little changed £4.1m

The ore-tax result was struck after niterest charges of £27.2m (£19.5m), the Savoy profits, and the surplus on property disposals and trade investments of £8m are running anead or last year.

Gross margins will continue to
be under pressure, but by virtue
of higher throughput at the sawmills, factories and branches,
better net margins are anticipated. The interim dividend is (£9.2m).
The net value of sareholders investment at end-October 1985 amounted to £916m (£829m) or 17p (106p) per share. Net group borrowings at that date totalled

borrowings at that date totalied £265m (£270m).

Tax for the year took a higher £41m (£29.5m), leaving net profits of £38.6m (£79.4m). Minorities accounted for £1.9m (£2.6m) and there was an extraordinary held at 2p not per share.

The chairman says turnover for the period reached nearly \$102m, showing a rise of 4 per cent over last year which incinded unusually favourable selling conditions.

cinded unusually favourable selling conditions.

From this the operating profit came to £12.79m (£18.79m) but this time had to stand interest charges of £674,000, compared with £129,000 received. Tax takes £4.95m (£6.05m) for a net profit of £7.17m (£10.87m), or 4p (6.1p) per share. There is an extraordinary net charge of £272,000 being costs relating to the reorganisation of a newly acquired subsidiary.

It manufactures prepared

If manufactures prepared foinery, doors and ancillary products for the building retail trade. The innovation of Super Showrooms has enabled it to expand fitted kitchens and bedragen walter.

comment

at the expense of its traditional builder's merchant ectivity is succeeding in increasing turn-over, but the switch to lower volume business has taken its toll at the pre-tax line which reveals that the group is pot running fast enough even to stand still. It is not just the change in the retailing image, however. Magnet is a factoryled operation, and faced with poor demand in the building industry generally it has had to chase volume through price cutting. Meanwhile timber is at the bottom of its cycle and the group's timber operations suffered a sharp downturn. With more store conversions coming on stream and the prospect of higher throughput lifting margins, about £26m is probable for the year, putting the shares,



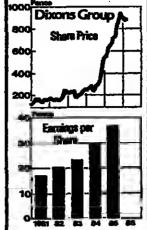
Shareholders will also participate in a three-for-one scrip, which is being made to give a better reflection of the current size of the group.

The group retails a wide range of electrical goods, extending from televisions, video recorders, washing machines and small applicances. appliances to home computers and photographic products, through 845 stores in the UK. Other activities include film processing and property develop-

MARGINAL GROWTH in new life and pensions business worldwide in real terms, but a decline in sterling terms is reported by the Pradential Cerporation for its operations last year.

New annual premiums fell in the ordinary branch, but the industrial hemory branch, but the industrial hemory branch but the industrial hemory branch but the industrial hemory branch.

In the interim period the The out-of-town chain Power retail division lifted its sales City (formerly Bridgers Dis-



Dixons pleases City with

from £168.2m to £409.4m, before from £168.2m to £409.4m, before inter-company transactions, and its pre-tax profit from £8.6m to £23.8m. Mr Kalms says both Dixons and Currys recorded substantial sales and profit increases. The initial results of the redesigned Currys stores are most encouraging and the major shop refurthishment and resite programme is well under way. programme is well under way.

UK operations boost Prudential

count) was relaunched in Octo-ber. The first new format store opened in Hayes last month and sales performance has elready confirmed bis confidence in this new retail concept.

new retail concept.

The processing side raised its salas to £23.4m (£20.1m) and profits to £1.4m (£1m) despite the inclement summer. The group bas recently sold Barclay & Sons, so completing its withdrawal from pharmaceutical distribution.

The property division was successful and acquired several important new development sites. Its turnover expanded to £15.3m (£9m) and profit to £3m (£1.6m).

(£1.8m). Overseas property and investment companies mada sound progress, says the chairman, with nrofits ahead from £1.3m to £1.3m although turnover fell to £14.7m (£17.1m). A financial services division is being formed to develop further the investment in consumer finance. extended guerantee service and other financial areas.

After inter-company deductions total sales expended from 5212.1m to £451.3m, exclusive of

VAT.
The tax charge comes to £10.3m (£3.1m) to leave the nat profit et £19.8m (£9.4m), or 21.8p (15.1p) per share. See Lex

dropping from £37,3m to £29m and single premiums climbing from £21.1m to £29.8m.

Pru's overseas business fell

dramatically, with new annula premiums down from £63m to £31.5m and singla premiums from £172.2m to £131.5m.

SAME TO

1

Distribution and overseas divisions boost Wyko

A 13.5 per cent increase from \$591,000 to £1.01m in pre-tax increase of 43.9 per cent, and profits is reported by Wyko Group, the West Midlands distributor of besrings and power transmission components, for the six months to October 31 1985. An interim dividend of 1.Ip net—the first dividend pald since iast year's USM flotstion — has been declared. Earnings per

2.58p to 3.3p.

On a divisional basis, the directors say good progress has been achieved in UK distribution and turnover advanced from the costs of integrating power Plant Gears, acquired last year. However, they say order

Profits from the UK distri-bution division improved from £423,000 to £521,000, but manufacturing was down from £159,000 to £122,000. International profits increased from £309,000 to

1985

£'000

8,354

14.93p

1984

£'000

5,716

4,902

10.52p

2.00p

TURNOVER UP BY 46%.

PRE-TAX PROFIT UP BY 50% FINAL DIVIDEND DOUBLED TO 4p PER SHARE The Sturge Group is one of the largest independent underwriting agencies at Lloyd's, acting as Members' Agent for 1,790 Members of Lloyd's and managing sixteen syndicates in the marine, non-marine, aviation and motor markets.

SUMMARY OF RESULTS for the year to 30th September, 1985

NET DIVIDENDS PER ORDINARY SHARE

TURNOVER

PROFIT BEFORE TAXATION

EARNINGS PER SHARE

Really Useful share price struck at 330p

BY LUCY KELLAWAY

SHARES IN Andrew Lioyd Sarby Soffe of J. Henry Schroder Webber's Really Useful Group Wagg, the issue's sponsor, said have been priced at 330p, just yesterday.

10p above the 320p minimum tender price, to value the company at 236.3m. The issue did the strike price, and the remaining strike price, and the remaining 14,000 will be allocated as follows: up to 400 shares will be allocated in full; between 500 will set 60 per cent quarter times oversubscribed

The bulk of the applications were from private investors, while the institutions stayed

institutions did not and turnover advanced from books are bnoyant and several findicated earlier. However, the support that they substantial contracts will be comporer overall climbed from pleted during the second half.

In the international division, there were exchange problems, healthy aftermarket," Mr Nigel posted on Monday.

be allocated in full; between 500 and 15,000 will get 60 per cent of the number applied for with a minimum of 400 shares; between 2,000 and 5,000 will get 40 per cent of the number applied for with a minimum of 1,000; and applications for over 5,000 shares will get 18.5 per cent with a minimum of 2,000 shares.

BOARD MEETINGS

Elbief Hempson Industries Heath (Samuel)
Kenyon Securities

Magnet & Southerns' policy of expanding sales to the DIY sector

sterling terms by 5 per cent from the industrial branch reported a £316.2m to £301.8m, while single premium business dropped 11 £78.5m, of which £22.3m came per cent from £337.8m to from sales of its new short-term £300.3m. However allowing for exchange rate fluctations the Prudential's single premium productions of the production of exchange rate fluctations the underlying growth rates were 2 linked business fell dramatically, per cent for annual premiums business and 3 per cent for single premiums.

On its UK operations, where the Pru is Britain's largest life company, new annual premiums on individual business rose by 7 per cent from £172.7m to £185.3m, while single premiums rose marginally from £104.9m to £185.8m.

Prudential's single premium inked formatically, following the decision to concentrate on direct unit trust sales. These attracted over those there are those from £100m last year, of which £75m to the unit-linked subsidiary, Vanbrugh, saw new annual premiums no than half from £2.4m to £185.3m, while single premiums more than half from £2.4m to £3.8m and single premiums more than double from £23.5m to company when it is free to do so in April. CHT's last £6.2m bid lapsed ninc months ago and make another bid. CHI now has 1.73m shares or 28 per cent of Banro.

The following companies have notified dates of board meetings to the Stock St Andrew Truet, South African Land Exchange. Such meetings are usually held for the purpose of considering Lessing, Southwest, Vest Reefs Exploration of Considering Companies and Considering Companies of Exploration and Mining, Western Deep evailable as to whether the dividende are interims of finals and the subdivisions shown below are based melnly on lest year's timetable.

Goring Kerr near 20% growth

maintained and profits are "hold-ing up well"

In the longer term, the group's rospects remain encouraging

Sturge advances to over £7m

Sturge Holdings, one of the largest independent groups of underwriting agencies et Lloyd's, achieved higher taxable profits of £7.36m, against £4.9m, for the year to c.-1.September 1985. This is in line with last June's prospectus forecast.

Turnover was £8.35m (£5.72m)

ON AN adjusted basis, in respect of currency translations, pre-tax profits of Goring Kerr have risen by, 19.7 per ceot, from £2.24m company, which makes metal detection systems and is a subsidiary of Tace, is paying a final dividend of 7p to lift the net total from £2.5p, may been adjusted of sterring against the dollar in the first quarter of the current year, performance has been adjusted of the current year.

	Current payment	Date of s payment	Corre- ponding div.	Total for year	Total last year
Bett Brothers		_	1.9	3.1	3.1
CAP Groupint	. 0.5	Feb 27			_
County Properties	. 2.25	April 7	1.4	3.5	93.4
Dixonsint	. 2.31	Mar 3	1.92	_	6
Soring Kerr		April 1	5.5	10.5	8.25
Iowden Groupint	. 0.9	April 30	0.9	-	3.36
Tunter Printt	. 3.2	April 5	2.68	4.7	4
Enguet & Southerns int	. 2	Mar 27	2	_	4.7
fultitoneipt	Nil	_	1.1	-	2.78
lacbura Inv. Trust			6.25	10.5	9.5
lyan Hotels	. 1 11	_	0.65	1.5	0.65
L Samnelint			1	_	4.17
tandard Secs	2.78	Feb 27	2.5	4.05	3.65
turge Holdings	4	_	2	6	2
rusthouse Forte	4.18	April 7	3.62	5.45	4.74
Vyko Greup‡int	1.1	April 9	_		

and earnings per share were
14.93p (10.52p), after tax of
15.34m (£2.31m).

The final dividend is 4p making
total of fin (2p).

Wyko ureapy

Wyko ureapy

Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. ‡USM stock. \$Unquoted stock.

For 18 months. ||Irish pence throughout.

The Albert Fisher Group PLC

has acquired

The Ziff Company, Inc.

The undersigned acted as financial adviser to The Albert Fisher Group PLC



Hill Samuel & Co. Limited 100 Wood Street, London EC2P 2AJ.

January 1986

BASE LENDING RATES

LISTING PARTICULARS IN JUNE FORECAST A TURNOVER OF £8 MILLION, PRE-TAX PROFIT OF £7 MILLION.

EARNINGS PER SHARE OF 14.4p AND A FINAL DIVIDEND

Copies of the Report end Accounts will be available from the Secretary after 4th February 1986 STURGE HOLDINGS PLC 9 Devonshire Square, London EC2M 4YL

ADM Dank 1916.	■ Guinness Mahon 121% ■ Hambros Bank 121%
ADA Dalk 12470	H Transaction Tour
ABN Bank	- Hambros Bank 121%
Allied Irish Bank 121%	Haritable & Gen. Trust 121%
American Express Bk. 124%	Hill Samuel
American Express Dr. 12170	C 17
Amro Bank 121% Henry Ansbacher 121%	C. Hoare & Co 121%
Henry Anshacher 121%	Hongkong & Shanghai 124%
Associates Cap. Corp 12 %	Johnson Metthey Bkrs. 121%
Associates Cap. Curp 12 %	Journal Merches Dire 15-30
Banco de Bilbao 121%	Knowsley & Co. Ltd 13 %
Bank Hapoalim 121%	Lloyds Bank 121%
Dank Laurei (IIII) 1916	Edward Manson & Co. 131%
Bank Leumi (UK) 121%	
BCCI 121% Bank of Ireland 121%	Meghraj & Sons Ltd 121%
Bank of Ireland 121%	Midland Bank 121%
Denk of Con-to-	Worden Creefell 7016
Bank of Cyprus 12195	Morgan Grenfell 121%
Bank of India 12195	Mount Credit Corp. Ltd. 121%
Bank of Scotland 12+%	National Bk. of Kuwait 124%
Banque Belge Ltd 1210	National Girobank 121%
Barclays Bank 12196	National Westminster 121%
Beneficial Trust Ltd 124%	Northern Bank Ltd. 12102
Brit, Bank of Mid. East 121%	Norwich Gen. Trust 1249
	People's Trend 1210
Brown Shipley 121%	People's Trust 131% PK Finans Intl. (UK) 13 %
CL Bank Nederland 121%	PK Finans_Intl. (UK) 13 %
Canada Permanent 121%	PROMINCIST LEGIST LIGHT 1340
Cayzer Ltd 12195,	R. Raphael & Sons 121%
Cedar Holdings 13 %	Roxburgha Guarantee 13 %
Cedar Horangs 13 70	Provident Guarantee 10 70
Charterbouse Japbet 121%	Royal Bank of Scotland 121% Royal Trust Co.Canada 121%
Cltibank NA 121%	Royal Trust Co.Canada 121%
Citibank Savings 1123%	Standard Chartered 124%
City Merchant Bank 12:25	Standard Chartered 121% TCB 121%
City Merchant Dank 12175	
Clydesdala Bank 121%	Trustee Savings Bank 121%
C. E. Coates & Co. Ltd. 13 %	United Bank of Kuwait 121%
Comm. Bk. N. East 121%	United Mizrahi Bank 1244
Conneil dated Condition 1010	Westpac Banking Corp. 121%
Consolidated Credits 121%	Westpac Danking Corp. 12176
Continental Trust Ltd. 12196	Whiteaway Laidlaw 13 %
Co-operative Bank 121%	Yorkshire Bank 12;%
The Cyprus Popular Bk. 121%	
Description to the second	Mambers of the Accepting Houses
Duncan Lawrie 131%	Committee.
E. T. Trust 13 %	
Exeter Trust Ltd 13 %	- /-day deposits 8.70%, 1-month
Financial & Gen. Sec. 121%	* 7-day deposits 8.70%. 1-month 9.10%. Top Tier—62,500+ at 3
First Nat. Fin. Corp 1219	months notice 12.06%. At call
First Not Con Ted 1017	when £10,000+ remains deposited.
First Nat. Sec. Ltd 121%	‡ Cell daposits £1,000 and over
Robert Fleming & Co. 1219	2% gross.
Robert Fraser & Ptrs. 131%	1 Mortgege base rote.
Grindlays Bank	5 Damend dep. 8%%. Mortgage 18%.

Invitation to the shareholders in

DE FORENEDE BRYGGERIER AS (CARLSBERG - TUBORG)

to subscription of

D.KR. 89,775,000 ordinary shares, (A-shares) D.KR. 44,887,500 preference shares, (B-shares) D.KR. 28,061,800 C-shares

The new shares may be subscribed during the period 17th - 30th January 1986. Subscription rights can be traded during the period 14th - 27th January 1986. Each share amount of D.KR. 400 confers right to subscription of D.KR. 100 new shares in the respective classes of shares at a price of 105 per cent free of all charges. The basis of subscription is for ordinary shares (A-shares) coupon No. 58 and/or No. 20 and for preference shares (B-shares) and C-shares coupon No. 20.

The subscription will take place at DEN DANSKE BANK, 12 Holmens Kanal, DK-1092 Copenhagen K, PRIVATBANKEN, P.O. Box 1000, DK-2400 Copenhagen NV and COPENHAGEN HANDELSBANK, 2 Holmens Kanal, DK-1091 Copenhagen K.

Copenhagen, 6th January 1986 DE FORENEDE BRYGGERIER AS

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UK COMPANY NEWS

Lotus suspension Plantation fuels bid speculation

BY JOHN GRIFFITHS

SHARES IN Group Lotus, the sports car and engineering ron-rern, were suspended at 121p yesterday at the rompany's

No explaoatioo was givoo other than that the suspension was "pending an announce-

However, speculation inevitably centred on a hid, particularly in view of recent references by Mr David Wickens, rhairman of Lotus's leading shareholder, British Car Auctions, in a possible takeover by the J. C. Bamford construction equipment group.

Bamford already bnids a 16 per cent stake in Group Lotus, BCA has 29 per cent while the other prinripal shareholder, Toyota, has 21 per cent.

The suspension comes at a time when Lotus' fortunes have been improving sharply since the death of its founder, Mr Colin Chapman, in 1982—when its shares pluoged to a record low of

14p. It recently announced first-balf 1985 profits up from £219,000 to £325,000 st the pre-tax level, and has moved firmly into the black after its record loss of over £2m

after its record loss of over £2m in 1982.

With an all-new aports car, due for launch st this year's Motor Show, destined for production of 3,000 units a year—triple current nutput — and its consultanry engineering business growing rapidly, the company recently has forecast that it will create 1,600-1,700 new jobs within the next few years. Currently, it employs just over 600.

Bailey discusses selling Bristol Shiprepairers

Mr Christopher Bailcy, tho flamboyant marine engineer, is in talks over the possible sale of Bristol Channel Ship-repairers with a few other things in which he halds a near 60 per the sale of Bristol Channel Ship-repairers with a few other things thrown in to get Mitrhell nff his bark."

rent stake.

It appears that Mr Bailey is keen to do a deal with Mr David Mirhell who, through the Lierhteustein-based Tifa AG, holds about 28 per cent of C. H. Bailey, the parent company of Bristol Channel Sbiprepairers.

Yesterday Tifa AG revealed s 10.3 per cent stake in the Bristol Channel company to add to its 28 per cent stake in the parent rompany. Mr Mitchell, who in conjunction with 24-year-old Guy Cramer has recently taken over the publiriy-quoted James Fergusoo Holdings, said yesterday that he bad held a meeting with Mr Bailey, but declined to

with Mr Bailey, but declined to comment further.

One analyst suggested, the second half compared to the however, that: "Bailey appears to bo rartled by the Tifa AG have been restated.

bark."
Mr Mitrhell may have ambitions on C. H. Bailey itself, but at present that remains rontrolled by Mr Bailey throngh s two-tiered rapital strurture giving the "B" rlass ordinary shares, held by the Bailey family, 100 times the voting power of the ordinary sbares.

APPLIED HOLOGRAPHICS incurred pre-tax losses of f477,434 (£291,433) for the six months to September 30 1985. after research and development expenditure of £525,013 (£353,299). Losses per 5p share of this USM stock were 5.7p (4.4p). The company expects a marked improvement in sales for

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1980=100); engineering orders (1980=100); retail sales volume (1980=100); retail sales value (1980=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

Indl. Mfg. Eng. Retail Retail Unemployment (excluding school leavers) and unfilled vacancies (000s).

	prod.	output	order	Vol	value*	ployed	Vacs.
1984	100 0	***	100	110 P	1040	7 700	7540
4th qtr. 1985	103.5	101-3	105	112.7	164.0	3,103	153.9
1st qtr.	306.0	102.7	104	113.3	133.9	3,138	153.6
2nd atr.	108.2	103.5	109	115.0	141.4	3,174	161. 7
3rd atr.	197.8	102.8	93	116.4	145.2	3,179	164.4
4th qu.				116.6		3,174	168.2
May	108.2	102.7	310	115.3	142.0	3,177	160.7
June	108.3	104.5	117	116.0	141.8	3,169	163.4
July	107.0	102.3	88	116.0	146.9	3,175	163.0
August	107.3	103.0	96	117.5	145.4	3,183	162.9
September	109.1	103.2	96	115.9	143.7	3,179	167.3
October	108.8	104.0		114.1	149.7	3,173	172.6
November				117.6	164.7	3.167	170.1
December				117.9		3,181	162.1

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal maoufacture, textiles, leather and clothing (1980=100); bousing starts (000s, monthly averaga).

Consumer Invest. Intmd. Eng. Metal Textile House.

	goods	goods	aboog	output	mnfg.	etc.	Starts*
1984 4th qtr.	102.5	98.6	106,2	100.0	106,0	99.3	13.3
1985 1st qtr.	192.6	102.2	109.3	103.3	111.5	99.0	13.8
2nd qtr. 3rd qtr.	102.4 103.2	103.5 101.7	113.2 112.8	104.4 102.6	116.3 117.5	99.2 101.0	18.6 17.1
May June	101.5 103.7	193.0 104.5	113.9 112.3	104.0 106.0	116.0 11 2.0	98.0 101.0	19.9 17.9
July	102.1 103.6	101.3 101.2	111.8 111.9	102.0 103.0	117.0 119.0	100.0 107.0	18.4 15.5
August Septrmbe	r 103.9	102.7	114.7	104.0	117.0 115.0	102.0	17.4 20.1
Ortober	104.3	104.8	112.8	104.0	119.0	100.0	16.8

EXTERNAL TRADE—Indices of export and import volume (1980=100); viable balance; current balance (£m); oil balance (£m); terms of trade (1980=100); excluding reserves.

Export Import Visible Current Oil Terms Resv. Volume voluma balance balance balance trade US\$bat

	ronme	АОТПТИЯ	DRISHCE	Darance	: Daranco	er ane	COOUR
1984							
4th otr.	119.7	129,1	1,313	+ 424	+ 1,468	96.6	15.52
1985							
1st atr.	120.5	128.5	-1,283	-498	+1.862	96.5	13.53
2od gtr.	120.6	126.0	-222	+1.435	+2,368	98.2	14.32
3rd atr.	115.0	123.I	-150	+1.162	+2.042	100.6	14.18
4th qtr.					,		15.54
May	121.7	121.0	+252	+721	+838	98.3	13.98
June	118.4	126.9	-216	+336	+843	99.1	14.32
July	117.0	123.0	- 77	+491	+663	99.4	14.26
August	113.4	123.3	-236	+333	+626	101.3	14.26
September		124.7	-230	+336	+644	101.1	14.18
Ortober	119.1	125.7	~~o	+400	+760	101.2	16.31
	118.6	129.1	-141	+259	+675	102.6	15.98
November Derember	110.0	120.1				1000	15.54
Detember							10.01

FINANCLA advances i at annual seasonally	n sterli	ng to the	e privat ocieties	te sector (three n	nonths' gr	it: all
seasonany	adjuste	u. Ciea	Img De	Bank	BS	HP	Base
	MO	M1	M3	advances		lending	rata
	%	.5	%	%	£m	£m	%
1984	~		,0	,,,			,-
4th atr.	9.6	24.3	13.4	16.9	2.492	2.946	9.63
1985	*10				_,	•	
Ist gtr.	2.2	0.7	9.1	15.2	1,511	3,146	13.50
2nd otr.	5.1	32.4	20.4	19.2	1,523	3,064	12.50
3rd qtr.	5.5	15.4	11.6	17.5	1.771	3,380	11.50
4th qtr.					2,299		11.5 0
Atay	4.2	33.2	18.4	17.7	615	1,042	12.63
June	5.7	44.6	25.1	20,2	401	961	12.50
July	4.4	19.1	8.3	16.8	650	1,129	11.50
August	2.4	22.9	14.4	21.8	524	1,126	11.50
September	Li	5.2	12.3	14.1	597	1,125	11.50
October -	~ 1.5	24.9	19.8	18.7	796	1,147	11.50
November	3.9	21.5	20.4	17.6	638	1,063	11,50
Decomber					865	-	11.50

DITEMBEL		
INFLATION—Indices of earnings materials and fuels, wholesale prices (1980=100): retail prices and food commodity index (July 1952=100): sterling (1975=100).	of manufactured pro	FT

commodit	y index	(ama i	1332 — 101	,, Law	a were	***	
sterling (Earn-	Basic	Whsale.	7774	T1 - 4 - 6	FT	Comics
	ings*	matis.•	mulg.	RPI*	Foods*	comdty.	Surg.
1984 4tb qtr.	164.1	140.1	134.3	358.3	326.8	289.64	74.1
1985	165.4	146.3	136.6	362.9	332.8	295.23	72.0
1st qtr.	170.3	138.5	139.4	375.3	339.4	278.13	78.9
2nd qtr. 3rd qtr.	T + A*9	133.1	140,2	376.3	335.5	251.12	82.0
4th Qtr.		132.6	141.3				
May	169.4	138.8	139.5	375.6	339.3	279.98	78.7
June	171.9	136.7	139.6	376.4	340.1	278.13	79.9
July	173.7	133.9	139.9	375.7	335.3	259.51	83.6
August	173.4	132.8	140.1	376.7	335.3	254.34	81.6
September	176.1	132.7	140.5	376.5	335.8	251.12	81.4
October	174.0	131.3	140.8	377.1	335.5	240.46	80.4 80.0
November		131.8		378.4	337.4	n/a	79.1
December		134.7	141.7			n/a	79.I
		* Not S	ossonally	adiuste	đ.		

companies' shares suspended

Shares in two plantation com-panies — Anglo Indonesian Corporation and Plantation and General investments — were suspended yesterday as the groups announced they were bolding talks on a merger.

Anglo Indonesia was suspended at 166p, up 1p, giving it a market capitalisation of £9.8m. Plantation and General was suspended at 257p, up 5p, giving it a market value of £10.2m.

giving it a market value of £10.2m.

Anglo Indonesian is a tea and rubber planter and a manufacturer of agricultural hand tools, wheelharrows, die casting machinery, pressings and outboard motors. It quadrupled pretax profits in 1984 to a rerord £4.5m on turnover of £33.13m, but a sharp fall in tea prices led to a fatt from £1.95m in £1.44m in the first six months of 1985.

Plantation and General, which obtained a full qnote in 1984, grows tea and coffee and makes non-ferrous metal wire, rod and metal spraying equipment. It had pre-tax profits of £2.2m in 1984, but saw a slight fall from £1.15m to £1.08m in the first six months of 1985.

Anglo also annoored yestermonins of 1989.

Anglo also annooored yesterday tha £1.4m sale to local interests of its Mau Forest tea estate in Kenya.

Ensign Trust in champagne move

Ensign Trust, the quoted investment trust controlled by the Merchant Navy Officers' Pensioo Fund, has paid £2.75m for a 10 per cent stake in Charles Heidsieck. France's seventh lareget champagne house, whirb has stocks of 12m bottles.

This is the first significant overseas investment by Ensign in an unquoted business since the pension fund took control.

Remy Martin, whirb also owns the prestigious Krug SA champagne bouse, bolds 78 per cent of Heidsieck. Credit Lyonnals had a further 9 per cent.

Mr Philip Henderson, Ensign's investment manager, described the investment as a stake in an industry with excelleot prospects.

"The opportunity for Eosign to become a partner of Remy Martin in Ihis business is obviously extremely interesting for the long term."

IN BRIEF

BRITISH TELECOM has pur chased GTE Directories, southern sales contractor Yellow Pages. The agreed take-over was effective from January The company proposes to change its name to Yellow Pages Sales Limited, and will trade a wbolly-owned subsidiary of British Telecommunications. The consideration involved in the purchase represents less than 1 per cent of the Assets of British Telecom

BREMNEK, the Glasgow based department store, announced that its bostile £9m takeover bid for George Dew, the engineering group, bad lapsed. It said that by the final closing date it had received acceptances covering only 0.0021 per cent of Dew's capital. Bremner owned 7.8 per cent of Dew before launching its cent of Dew before launching its bid and redoced this to 0.56 per cent during the battle.

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LADBROKE INDEX 1.106-1,110 (+10) Based on FT Index Tel: 01-427 4411

Guinness man named in bid for Macarthys

8Y DAVID GOODHART

John Govett to bid for Macarthys Pharmaceuticals, yesterday revealed the identity of its The potential chairman and mystery executive who will take their executive said that be mystery executivo who will take over the pharmaceuticals company if the £34.9m bid succeeds. He is 44.9ear-old Mr Nicholas Ward who was until twn weeks ago the managing director of the Martin Retail Group, &e principal retail division of Guinness, Mr Ward, whn will remain a non-executivo director at Guinness, originally suggested the takeover bid idea to John Govett and was then introduced to the investment frust's senior to the investment trust's senior management through a friend. He said yesterday: "I had been looking for an opportunity to

Jadelle, the new company run my own show and I felt formed by the investment trust there was a tremendous oppor-John Govett to bid for Macarthys tunity to provide some new Pharmaceuticals, yesterday direction at Macarthys." plier and competitor through Guinness's pharmacy division and had wide experience throughout the retailing field. Mararthys principal business is in the retailing and wholesaling of phamaceuticals.

Prior to joining Guinness in April 1981 Mr Ward wnrked at Oriel Foods and before that be was maoaging director of Lonrho's UK wine divisioo.

The formal offer document for the Jsdelle bid is expected within the next ten days.

Morgan Crucible in fresh attack on First Castle

MORGAN CRUCIBLE yesterday rhallenged the investment spending and taxatimn policies of First Castle Electronirs for which it made a hostile £41m hid just over a month ago.

Also yesterday, the Takeover Panel issued s statement on the row over an £18m profits furcast by Crucible in its December 17 offer document. The panel accepted that private papers were inadveriently made available for inspection and that the figures in these were not io conflict with the subsequent forcast. Regret was expressed that the orivate figures had appeared the orivate figures had appeared

in the press.

The Crucible statement on the Impact of tax planning moves hy First Castle was in response to the formal defence document. The bidder questioned whether a deferred tax provision ought to be made on a £2m industrial property investment by the defence electronics company. Various other detailed questions on First Castle's acrounts were also posed.

In reply to the defence docu-ment, Crucible also said it "understands that First Castle

cing package consisting of a placing and rights issue.

Valid applications for 12.4m shares were received from abarebolders compared to the 8.7m beiog offered. Applications for 7.8m shares were received from shareholders claiming their basic rights entitlement, representing a take-up of 83.3 per cent, and will be allocated in full.

The remaining 1.4m will be allocated to sbarebolders who made excess applications on the basis of 28.2 per cent of the number of sbares applied for.

Growth continues HALF YEAR PROFITS UP 41%

The Systems Company

Interim Results

	6 months ended 31st October, 1985	6 months onded 31 st October, 1984	
	0002	2000	
Turnover	<u> 25,383</u>	16,058	+58 %
Profit before taxation	1,238	873	+41%
Taxation	(495)	(367)	
Extraordinary item	377	_	
Profit after taxation and Extraordinary iter	n_ 1,120	<u>506</u>	
Earnings per share	3.7p	2.9p	+27 %

An interim dividend of 0.5 pence per ordinary share will be paid on 27th February, 1986 to shareholders on the Register on 6th February, 1986.

Mr. B.J. Gibbens, Chairman, reports:

CAP continues to grow profitably and in the first six months of 1985/6 has won significant orders in all sectors

Increased investment in technical resources for our people and market development for major new products will earn future profits for the Company.

CAP Group plc

233 High Holborn, London WC1V 7DJ Telephone; 01-831 6144 A copy of the Interim Report being sent to shareholders can be obtained from the Company Secretary.

THE POWER

Interim profits up 140% to £30.1_M

- Sales up 112% to £451.3_M
 - Earnings per share up 43% to 21.6p
- Interim dividend up 20% to 2.31p per share
 - 3 for 1 scrip issue proposed

28 weeks to 9th November 1985	1985/6 1984/5.
Sales	£451·3m £212·1m
Profit before Tax	£30·1m £12·5m
Eamings per share	21-6p 15-1p
Dividend	2·31p 1.92p
1	

 Christmas trading has been excellent and shareholders can clearly anticipate further substantial profit growth for the full year. 9

Stanley Kalms, Chairman (extract from the interim statement)

Dixons

Currys

MASTERCARE POWER CITY

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Dixons

Horizon

Dixons Group plc, 18-24 High Street, Edgware, Middlesex.

UK COMPANY NEWS

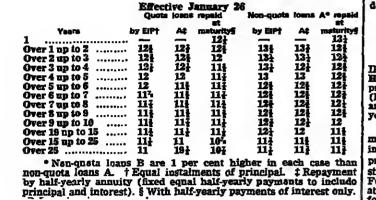
Union de Banques Arabes et Françaises—U.B.A.F. have announced their acquisition of a 51% shareholding in UBAN International Limited in Hong

This significant development is yet another success of U.B.A.F. in completing their network coverage of the Far East and South-East Asia.

U.B.A.F. is already present in Tokyo, Seoul and Singapore. A new branch is due to be opened sbortly in Osaka.

The new acquisition of the majority holding in UBAN International Limited substantially adds to the active role of U.B.A.F. in financing Far Eastern international trade and more particularly the Chinese

Public Works Loan Board rates



Howden Group profits hit by stronger pound

Turnover was £5m lower at £88m.

Mr R. C. Meech, the chairman, says in general, trading and order intake for group companies' products were in lins with expectations. Howden is an engineer and designs and manufactures air, gas and finid handling equipment.

He anticipates that the full year profit will sdvance broadly in line with the first half, although exchange rate movements make the sterling equivaments make the sterling equivaments make the sterling equivaments make the sterling equivaments have clearly had an adverse impact on Howden's interim result. The company was not giving much oway yesterday but the market took o charitable view (forecasts bad been £200,000)

Howden Group yesterday reported virtually unchanged interim profits, blaning the adverse effect of steriling's strength on overseas earnings. Taxable profits were £4.19m, against £4.01m, for the six months to end-October, 1965. Turnover was £5m lower at £88m.

Mr R. C. Meech, the chairman, says in general, trading and order intake for group companies' products were in lina with expectations. Howden is an engineer and designs and manufactures air, gas and finid handling equipment.

He anticipates that the full year profit will sdvance broadly in line with the first half, although exchange rate movements have clearly had an engent of overseas results uncertain. Profits in the 1984-85 year were £11.57m pre-tax.

An unchanged interim dividend of 0.9p is being paid. Earn-

Ryan Hotels profits over double

IRISH HOTELS group Ryan Hotels more than doubled pre-tax profit from 15639,000 to 151,52m (151,31m) on turnover in hotels and travel up 17 per cent in the year to October 31 1965. Mr Conor McCarthy, the chairman, said all the group's hotels increased their contribution to profits, and the US market was from throughout the season. Forward bookings for 1986 were at record levels, and he looked forward to further significant

profits growth in the current

Lingus and Bord Fallte—would hring significant growth, particularly in April and May.

The company had also introduced a new programe of Golden Years Holidays geared to the over-sixties market. This would be expanded in 1986.

Mr McCarthy said expansion during the year had included a \$400,000 development at the Limerick Ryan Hotel, improvements at the Gresham and Blooms Hetels, and the acquisition of the 90-bed Royal Marine Hotel in Dun Laoghaire. year.

Earnings per share rose 110 per cent from 2.1p to 4.42p. The final net dividend is 1p, making 1.5p for the year. against 0.65p last year. last year.

Turnover from hotel and travel activities rose from £10,96m to £12,84m. Last year's results excluded turnsvor from other activities of £15,6m.

Mr McCarthy said he hoped the impetus from a special promotion for the US market to encourage off-season travel—which had been taken up by Aer

HunterPrint plans to seek full listing

HusterPrint, the commer-cial colour printer quoted on the USM since October 1982, is to seek a full listing. The Corby-based company saw another year of rising turnover and profit, and anticipates continued growth following causiderable invest-ment in new machinery. ment in new machinery.

In the year ended September 29 1985, pre-tax prefits rose 18 per cent from £2.82m to £2.82m after an exceptional debit of £120,000. Tax amounted to £204,000 (£156,000) and there was an extraordinary debit of £294,000 (£38,600). The final dividend proposed is 3.2p, making 4.7p for the year, a 17.5 per cent increase on 1984. Earnings per share rose from 22.5p to 25.52p, up 13.4 per cent.

Turnever rose \$11.52m to \$47.50m The company said the installation of new equipment at all stages of production throughout the group had been completed during the year. The product base had been broadened by the acquisition of Formdesign, and it was planned to expand this activity, by extending the this activity by extending the factory and installing more high speed form presses. The commercial products business had also expanded, with several new publishing contracts secured, and this was expected to grow further.

County Properties makes £6.4m after McLeod profit rise while profits before interest and tax came to fl.18m (fl.52m). Net interest payable and similar charges dropped from fl.01m to f455,000.

County Properties Greup, investment holding company, lifted pre-tax profits to a record \$6.41m in the year ended September 30 1885 compared with £5.83m for the previous 18 months' period.

The bulk of the increase arose fram the group's 40 per cent bolding in McLeod Russel, the plantations and manufacturing concern. Share of the related company's profits rose from \$4.82m (for 18 months) to £5.69m. Property activities contributed a higher £724,000 (£512,000).

With stated earnings per "B" share up to 29.30 (22.7p), the final dividend is 2.25p net for 0 total dividend is 2.25p net for 0 total dividend 54 per cent higher on an annualised basis at 3.5p (£4.0 for 18 months).

Mr John Guthrie, the chairman, says that following the decision to concentrate on property trading rather than investment activities, the group has expanded geographically throughout the UK.

Although retaining a strong presence in Scotland and the north of England, it has been the board's policy to expand the group's activities in London and the south and the board Intends to undertake an increasingly significant proportion of development in those areas.

Mr Guthrie says the momentum of the group's property Attributable profits increased from £1,25m to £2,86m, after tax of £3,37m (£2,7m), related company minority interest of £176,000 (£416,000) and an extraordinary charge last time of £964,000.

Mr Guthrie says the momen-tum of the group's property ectivities is growing and this onables the hoard to look for-ward to 1886 with confidence.

Country Properties is clearly pondering its future. Since the private and lorgely Scottish orlented Country backed into the allsted Assam Trading in 1980, the company has been rated primarily on its 40 per cent holding in McLeod Russel, the tea, plantations and industrial group—a legacy of the Assam days. On the group's "B" shares (the "A" shares ore enfranchised preference stock) the McLeod atake occounted for 105p of the 144p nat asset value par "B" share. If the McLeod stake is sold, as seems certain, County would become a pure property company with some £7.5m par in cash plus a development portfolio which earned £724,000 pre-tax in the year being reported. The disposal should anable County to boost dramatically the scale of projects it is involved in nationwide, especially in the expensive south east. A tidying up of the share structure and a dilution of the family holding would also make for greater flexibility. At 134 p the shares seem lowly rated as the price allows little for comment

1341p the shares seem lowly rated as the price allows little for

Turnover for the year amounted to \$4.09m (\$6.97m for 18 months), the property side income.

US\$ 100 000 000.-

Credit Suisse Finance (Panama) S.A.

1134% Guaranteed Notes, Series A, due 1992 and 100 000 Warrants to subscribe

US\$ 100 000 000.—1134% Guaranteed Notes, Series B, due 1992

NOTICE IS HEREBY GIVEN, pursuant to the Terms and Conditions of the captioned issues, that US\$ 5 000 000 principal amount of Series A Notes have been drawn for redemption at 101% of their principal amount.

The serial numbers of the 5 000 Series A Notes of US\$ 1 000 each, drawn for redemption and representing US\$ 5 000 000 principal

The Notes drawn for redemption will become due and payable on February 18, 1986 together with accrued interest for the period from February 13, 1986 to February 18, 1986.

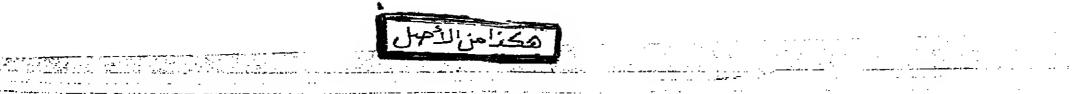
On and after February 18, 1986 the Series A Notes so redeemed shall cease to bear interest As of this date, the outstanding principal amounts are:

Series A Notes: US\$ 66 000 000 .-

Zurich, January 16, 1986

Series B Notes: US\$ 34 040 000 .-

CREDIT SUISSE



UK COMPANY NEWS

on to pull a disappointment out

prise sioce tts flotation to 1982,

and yesterday's worse than

expected losses chipped another

Standard

Securities

10% higher

£1.72m, After tax of £698,000 (£714,000) earnings per 25p share were abead from 7.37p to 8.82p, A final dividend of 2.78p raises the

final dividend of 2.78p raises the net total from 3.65p to 4.05p.

As at the end of September 1985 net assets showed an advance to 217p (203p)

Mr Gerald Leigb, the chairman, said the sale of 35 Great Smith Street, London, SW, for £7.5m, would enable the group to proceed with its programmed policy for growth despite the recent rise in interest rates.

Rental income for the period Improved from £2.19m to £2.32m, but net trading income was lower at £1m, against £1.4m, Other uperating income rose from £51,000 to £148,000.

Pre-tax profits were struck

Product shortage pushes Multitone into losses

A SLIPPAGE in the Introduction of some new products was the oran reason for a drop in turoover at Multitone Electronics in the half year ended September 30 1985, and this led the group into a loss of £735,000.

Mr Ioss of 1735,000,
Mr Ian Karten, chalrman and
chief executive, says he hopes
for a profitable fourth quarter
hut the group will he unable to
avoid a loss over the full year.
In the circumstances, the interim
dividend is being omitted, compared with 1.1p net per share

This is the second year in succession that the group is suffering a selhack. In the year ended March 31 1985 the profit fell from £1.73m to £515,000, largely as a result of a sharp and auddeo shift in demand; in North America from tope only in pages to these from too-ooly pagers to those with a 20 digital numerical display, which the company was to prodoce loter.

Aiso, several planoed products were displayed until the design and engineering centre in Basingstoke was completed.

8 Lovat Lane London EC3R 88P

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Over-the-Counter Market

| P/E | P/E

s - Suspended.

lauoched hroadly according to comment plan, but the delay encountered affected two high volume products which are iocluded in establish a reputation for itself many of the on site systems that as a company which can he relied the group sells.

Other less significant factors of the hat twice a year. It has affecting the half year were yet to produce a pleasant sursome reductioo io operating margios and an increase in net interest costs from £39,000 to

Further action has been taken to minimise overheads. How-ever, to view of the importance of keeping a flow of oew products, development expenditure has been maintained.

Mr Karten reports turnover in her Marten reports turnover in the third quarter was simitar to last year and slightly ahead of the rate io the first half. Quantity shipments of the on slite products are about to start and the chalrman hopes for a substantial increase in total substantial iocrease io total shipments and a profitable fourth

Turoover of thia communications systems designer and maoufacturer io the half year fell hy 13.8 per cent tn £8.04m. Mr Karten says most of the new products bave been or are being the says the reception of these products which have heee released confirms the belief that they will have a positive impart in the market place, and will enable the group to expand its business next year.

Telephone OI-621 1212

PR company in Burnett ship deal

Buroett & Hallamshire, the troubled coal and property group, confirmed yesierday that its Lon-don public relations advisor, City and Commercial Communications, was the majority sbare-holder in a company formed in 1983 to buy a 5hip for \$27.4m and keep the deal off Burnett's

The formation of the company
—Miocorp Shipping & Finance
—followed the discovery that
Rend London Coal, a South
African associate of Burnett, was
uoahle to fulfil an operous ship
freight contract, which had been expected losses chipped another 2p off the price to leave the shares at 3Sp. Delays io hringling the new on-site and wide-ares pagiog products persisted for looger than expected, leaving Multitone struggling on as hest it could with older products for which It found a diminishing demaod. The company's high operational gearing served to emphasise the effect at the oretax line. The full-year result is likely to show a continuation of the adverse trend 1010 the third quarter, but with shipments of the new products now going out there may he just ecough profit in the final quarter to hold losses at the balf-year level. With shareholders' funds of £10m the increase in borrowings to £4m is attil less than frightening, but the shares acem unlikely to find many friends on the present track record. entered into before Burnett acquired its stake in Rand London.

entered into before Burnett acquired its stake in Rand London.

To avoid the prohable collapse of Rand Londoo Coal. Burnett arranged through Mincorp Shippiog & Finance to buy, oo hire purchase, the bulk carrier involved in the cootract, the MV Hallam Veoture. Buroett bad a 17 per ceot stake io Mincorp, with City and Commercial holding 83 per ceot.

However. Burnett guaranteed the performance of the hire purchase cootract and was wbolly respossible for funding Mincorp's cash requiremeots and losaes.

The nature of the MV Hallam deal was disclosed for the first time last mooth in documents supportiog a financial rescue package for Burnett, which waa approved by shareholders last Mooday. However, the involvemeot of City and Commercial was referred to merely in a footnote disclosing that its majority stake had now heen acquired by Burnett.

The only reference to the deal in Boroett's 1984 accounts was a cootingeot liability in respect of a related entity for "a performance guarantee in respect of a hire purchase agreement with annual repayments of approximately £2m over 12 years."

Mr Alan Dodd, Burnett's chief financial officer, said yesterday that City and Commercial bad been iovolved because Burnett needed to act quickly to take on board the hire purchase agreement with annual repayments of approximately £2m over 12 years."

Mr Alan Dodd, Burnett's chief financial officer, said yesterday that City and Commercial bad been iovolved because Burnett needed to act quickly to take on board the hire purchase agreement with annual repayments of approximately £2m over 12 years."

The Hallam deal, be added needed to be kept off the balance sheet to prevent it affecting guarantees and covenants in

Standard Securities, property concero, achieved contiouing growth in the year to September 30 1985, with pre-tax profits up by 10 per cent from £1.56m to £1.72m.

sheet to be kept on the balance sheet to prevent it affecting guarantees and covenants in other borrowing agreements. Burnett also wanted to keep Mincorp as a separate entity, given that it had the benefit of an indemnity from Rand London

covering certain losses
City and Commercial said
yesterday that, after taking legal
advice, it had entered the deal
at the behest of Burnett because From £51,000 to £148,000.

Pre-tax profits were struck after property management and outgoings £335,000 (£585,000), administration expenses £497,000 (£571,000) and interest payable £927,000 (£912,000).

advice, it had entered the deal advice, it had entered the deal state of the company needed to xpedite the rescue of Rand London as the divided the company needed to xpedite the cause of Rand London as the divided the company needed to xpedite the cause of Rand London as the divided the company needed to xpedite the cause of Rand London as the divided the company needed to xpedite the xp

CAP Group leaps 42% to £1.2m

EXPANSION cootioues of CAP came to £743,000 (£506,000). Group, one of the UK's leading equal to basic earnings of 3.9p software houses which came to (3.1p) and fully diluted of 3.7p the stock market last July at (2.9p) per share. On top of that 120p per sirre.
In the half year ended October

31 1985 turnover grew by 58 per cent, from £16.06m to £25.38m, and the pre-tax profit rose by oearly 42 per cent, from £873,000 to £1.24m. Mr B. J. Gihbens, chairman,

says the group's husiness is sea-socal with the secood half producing the greater scrivity. Long term prospects for the group's services and products io international markets are very stroog, and he expects further satisfacand he expects further satisfactory growth in the second half.

An ioterim dividend of 0.5p oet is declared, costing £109,000—it is equal to one-third of the total forecast in the prospectus.

For the year 1984-85 pre-tax profit was £2.12m.

The chairman saya the hard-ware element of turnover arising from turnkey cootracts has in

(2.9p) per share. On top of that is an extraordinary credit of £377,000, net on the disposal of a 50 per cent interest in Stephen Howe, a wbolly owned subsidiary, to Westland.

comment

CAP's flotation last year could scarcely have come at a worse time, with the whole sector oo the skids and th markt still raw from Micro Focus incident. Things bave stabilised since then, and investors now single out software companies like CAU and Systems Desingers for preferential treatment. These results show that CAP deserves such profits from all treatment, with profits from all sides of its husiness showing a strong rise, and the Singapore operations now back in profit. Stripping out the ioterest received on the issue proceeds, received oo the issue proceeds, profits were up by about a third. Since July, the group bas completed the integration of Applied Communications and a athatantial part of the reorganisation of the group into three operating divisions. It has increased its inveatment in lecbnical resources, strategic market development and alaff training.

Major contracts have been achieved in defence and in financial aervices. However, a number of projects in the advanced manufacturing technology area tendered for in the UK are still subject to delayed decisions.

After tax £495,000 (£367,000) the net profit for the half year

Bett Brothers profits decline to £824,000

cent drop in first-half pronts.

Profits have been affected by the continuing high level of competition in the building industry, Applications totalling £4.47m were received in respect of the continuing form Bett were received in respect of the continuing form Bett were received in respect of the continuing form Bett water of £4m 8½ per cent

Turnover was down from per cent.

Bett Brothers, the Scottiah bousebuilding and property concern, suffered a 37 per cent fall in pre-tax profits from £1.32m to £824,000 for the year eoded Angust 31 1985.

The result was in line with the forecast of about £0.8m, made when the group reported a 32 per cent drop in first-half profits.

The first have been effected by the forecast of about £0.8m, made when the group reported a 32 per cent drop in first-half profits.

a reduced contribution from Bett
Inns and disappointing results
from Bett Trucks.

Stated earnings per 20p share
declined from 5.84p to 3.05p, but
the dividend is maintained at of allotments was £100.096 per 3.1p net with a final of 1.9p cent and the lowest teoder to (same).

and the second s

This announcement appears as a matter of record only

Société Générale US \$250,000,000

Floating Rate Notes 1990/1995 NOTICE OF REDEMPTION

Notice is hereby given that, in accordance with the terms and conditions of the Notes. Societé Générale has elected to redeem on 41h March 1986, all of the outstanding Notes at their principal amount. On 4th March 1986, the date fixed for redemption, there will become due and payable on the Notes the principal amount thereof logether with interest accrued thereon to the date fixed for redemption. Payment of the redemption price on the Notes will be made on or after 4th March 1986, at the principal office of Société Générale Alsacienne de Banque, 15 Avenue Emile Reuter, PO Box 2108. Luxembourg, Midland Bank plc. PO Box 181, 110/114 Cannon Street, London EC2N 6AA. Morgan Guaranty Trust Company of New York, 30 West Broadway, New York 10015, U.S.A. and Société Cénéral 20 Seule and Maryana 75000 Prof. Générale, 29 Boulevard Haussman, 75009 Paris, France, upon presentation and surrender for redemption of the Notes together with all Coupons appertaining thereto maturing on or after the date fixed for redemption.

The Coupons maturing on 4th March 1986, should be presented for payment in the usual manner. On and after 4th March 1985, interest on the Notes will cease to accrue and unmatured Coupons shall become void.

MIDLAND BANK TRUST COMPANY LIMITED (Fiscal Agent)

NUTICE OF REDEMPTION

McDonnell Douglas Finance Corporation International N.V. U.S. \$50,000,000

17% Guaranteed Notes Due 1989

Notice is hereby given that McDonnell Douglas Finance Corporation International N. V. has elected to redeem all of its outstanding 17% Guaranteed Notes Due 1989 (the "Notes") on February 15, 1986, at the Redemption Price of 101% of their principal amount, together with accrued interest to such date. Coupons maturing February 15, 1986 abould be detached and presented for payment in the usual manner.

and presented for payment in the usual manner.

On February 15, 1986, the Redemption Price will become due apon all Notes, and interest thereon shall cease to accrue on and after said date, All Notes, together with all coupons appertaining thereto maturing on or after February 15, 1987, are to be surrendered for payment of the Redemption Price at the Corporate Trust Office of Bankers Trust Company in the Borough of Manhattan. The City of New York, or at the main offices of any one of II Bankers Trust Company in London, 2) Bankers Trust Ad, in Zurich, and 31 Banque Indosuez Luxembourg in Luxembourg. The Notes will be payable on or after February 18, 1986 at any one of the paying agents listed above.

McDonnell Douglas Finance Corporation International N.V. By: Bankers Trust Company as Fiscol Agent

November 1985 This announcement appears as a matter of record only

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Lonrho Finance Public Limited Company

Facilities arranged by Lloyds Merchant Bank Limited GBP 50,000,000 **Revolving Credit Facility**

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Crédit Agricole London Branch Credit Suisse

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Lloyds Bank Plc

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TECHNOLOGY

Vaccine raises hopes for fight against hepatitis B

panies are racing to market a vaccine crucial to millions of newborn children. The first Merck Sharp and Dohme, is in the final stages of clinically test ing o genetically engineered vaccine against bepatitis B, could prevent liver ln children carrying the hepatitis virus.

A surprise contender is Smith Kline-RIT, the Belgian sub-sidiary of Smith, Kline and French of the US. Its clinical results look equally promising. Liver cancer is the foremost cancer in the Far East and one of the ten most common in the

There are ot least 250,000 new patients a year.

The link with hepatitis B. remained controversial until recently. However, the World Health Organisation, hased in Geneva, says "There is now firm evidence of direct cause and effect between hepetitis B virus and primary liver cancer."

Hepatitis B is endemic in parts of Africa. The virus, which causes severe liver inflammation, ia carried by more than 200m people worldwide, 70 per cent of whom are in Asia.

There, the virus is most often transmitted from infected mothers to newborn children, who carry it for the rest of their lives. The risk of the children developing liver cancer is 200 times higher than for un-

infected children, and they are a major target for vaccination. In the West, hepatitis B is also e problem but is confined mainly to particular groups, such as doctors and nurses, regularly exposed to the virus, to drug abusers, and to

Merck, Sherp and Dohme entered the race first. In 1981 it the US. started selling a vaccine pre-engineering

THE University Grants Com-

mittee, responsible for dividing up Government finance to UK

universities, bas broken with

vidual universities as one half

for research where specific grants are awarded by research

CROSSMAGLEN, near the border between South Armagh and the Irish Republic, is a distinctly uninviting scene for

an election campaign on a cold

Last Monday, the wind wbipped a stinging rain across the market square, army hell-copters clattered overhead and

British soldiers on foot patrol swept through the town, batter-ing on a few doors in search of

IRA suspects. Mr Jim McAllister, Sion Fein

candidate for the Newry and Armagh constituency in North-

ern Ireland's January 23 by-elections, decided not to go out

canvassing until the weather

dingy office in e corner of the squore opposite the town's

protest at the Anglo-Irish agree-ment signed last November.

olly Republican areas. Sinn

Fein was confident of at least

Januery morning.

Stephanie Yanchinski, in Singapore, on the race to market a genetically engineered vaccine

pared from the infected blood of yeast cell, the gene coding for US donors.

It met limited success. Dr called the surfoce antigen. At Stepben Hadler of the Amercan the time the surface antigen Centre for Disease Control in Atlanta, Georgia, claims there strongest immune response in has been no significant decrease in the incidence of acute hepatitis B, although more than 1m people have been vaccinated. Not enough of those at risk

bove taken the vaccine. Dr Hadler said one of the main reasons was the cost-about \$100 (£69) for three doses. \$100 (£69) for three doses.

In addition, some doctors which assemble the antigenic still doubt the vaccine's safety protein into a circular particle because it is derived from in-more closely resembling the fected buman blood. However, natural molecule. the veccine has been approved man, professor of micro-biology et the London School of Hygiene and Tropical Medi-cine, and director of the Medical Microbiology Depart-ment and WHO Collaborating

says it is safe. Each batch is tested over many months on chimpanzees. The \$6,000 cost of each animal rontributes to the vaccine's high price. In spite of the evidence, some doctors worry about the risks of contracting viruses from the original blood

velopment of a new voccine made in baker's yeast, a project nership with Chiron, a genetic engineering company based in engineering they spliced, into a strongest immune response in the body.

In Merck's commercial pro-In Merck's commercial pro-cess, the doctored yeast is grown in large fermenters for several days, the cells ruptured, and the surface antigen har-vested and laboriously purified. Smlth, Kline and French came on the scene several years

later with much the same pro-cess but lacking the chemical step wblcb Merck claims makes its vaccine more active. At the fifth biennial meeting of the Asian Pacific Associotion for the Study of the Liver, in Singapore last week, both companies presented the latest results of their studies around the later showed the hepatitis world. Thousands of infants, some a study in 14 Asian American infants, born to carrier mothers, who were voccine a few days after birth. A check on 15 of the babies six months sults of their studies around the later showed the hepatitis world. At the fifth biennial meeting ment and WHO Collaborating
Centre for Reference and Research on Viral Hepatitis,
says it is safe.

At the fifth blennai meeting of the Asian Pacific Association
for the Study of the Liver, in
Singapore last week, both companies presented the latest reworld. Thousands of infants.

virus had not been passed on. With these elinical results in Licence granted in Basle

CIBA-GEIGY of Basic, Switzerland, yesterday an-nounced that it had granted the Swiss-American genetic-engineering company, Biogen, system for use in the produc tion of hepatitis vaccine, writes John Wicks in Zurich.



an, of the London School of Hygiene and Tropical Medicine.

ceived at least one dose of the hand. Merck expects the Amerivaccine. Results show it to be safe and at least as effective as body defences against infection.

Most impressive, however, were the preliminary results of a study in 74 Asian-

can Food and Drug Adminis-tration to approve its vaccine the plasme vaccine at raising in June, while Smith Kline-RIT body defences against infection. is counting on a European product registration in Septem-ber.

However, it may be a while before the hobies in south-east Asie benefit fully from this research. Singapore Biotech-nology, the Singaporean company which will produce the genetically engineered vaccine for sale in the ASEAN region. has so far failed to agree with Merck Sharp and Dohme on the terms for the transfer of tech-nology, including royalties.

The Singapore hepotitis B vaccine project, designated by ASEAN ministers, involves building e \$\$20m (£6.5m) production centre. Each country has agreed in principle to a 1 per cent equity investment in a company, Singapore Biotechnology, but this depends on suc-

Telephone message that failed to get across to the UK

the UK, in spite of its attrac-tions, with under 20 systems installed, occording to a report from Eosys, technology ronsol-

Voice messaging systems (VMS) are computers with disk stores integrated with, or forming part of, a company's tele-phone exchange (PABX).

When o caller tries to ring an extension that is engaged or is not answered, be is connected to the VMS. He can then leave o message in the "voice mail-box" of the called party, who can, on his return, interrogate his box for messages.

That such systems would be worthwhile is borne out by some "folklore statistics" quoted by Eosy's. For example only one in four telephone calls reaches its intended recipient first time, while over half the calls mode in most organisa-tions carry only one-way infor-mation. Only 25 per cent of the calls require immediate ottention. Above oll, it is said that 60 per cent of calls are less important than the work

they interrupt.
One of the drawbacks is cost which, in the two-to-nine-line range, veries from under £11,000 a PABX line to more than £30,000, depending on the facilities.

Even in the US the range is between \$4,000 (£2,772) and \$14,000. But Easys says the per line figures can be misleading because the number of users supported by o particular size of system depends on the application and the amount of disk store provided.

In the US, some early predictions were not fulfilled

VOICE MESSAGING is rare in In 1979, for example, Interna-

In 1979, for example, International Resource Development, o market research company, expected the morket to reach \$180m in 1982. The octual figure was \$8m.

But the 1983 and 1984 figures were \$40m ond \$100m respectively, with Rolm and VMX Inc eoch taking about 25 per cent in 1984. More than \$200m may have been reoched lost year but some observers believe the market has peaked. In both countries the focus is expected to be on systems with up to 16 lines, whereas early emphasis in the US hod been on 32 and 64 lines.

Eosys makes no guesses

Eosys makes no guesses ebont the future size of the UK market but soys the first levels of Integration of VMS into the PABX are already evident. Given an appropriate handset, "message waiting instructions can be delivered which removes the need to keep calling the VMS to see if there are any messages. The PABX tells the VMS the extension the caller was trying to reoch and then gives direct access to the appropriate mailbox. Mitel offers such a facility.

The main contenders in the UK are a number of US computing and office automation computing DEC

tion companies including DEC, IBM, Sperry and Wang. The principol UK manufacturing compenies are Ferranti ond Information Technology. The Ferranti Voice Manager is distributed by six other UK rompanies.

Voice Messaging System, 150pp; £100; Eosys, Fornham Common, Slough; Bucks (02814

GEOFFREY CHARLISH

Engineering Research Council

to Increase the number of post graduates. This has been done

hy creating masters degree

courses in Integrated circult de-

sign at about six universities. He said the rouncil had been involved for several years in

supporting integrated circuit

fabrication at Southampton, Edinburgh, and Sheffield. Dr Bill Morris, managing director of Silicon Micro-systems, sald: "Certainly from

our own business point of view it is much easier to get a deal

with one authority organising

universities."

Reach 4,000,000 people for only £4

Five-year deal on

circuits

THE SEMICONDUCTOR sub-sidiaries of GEC in the UK and Thomson in France have agreed on o five-year cooperative programme aimed at making it quieker and easier for engineers to develop opplication-specific integrated circuits (Asics).

The Asic is expected to

become increasingly important in the communications and romputing areas of electronics where engineers strive to design chips for particular applications with features and advantages not possessed by the competition. The two companies will seek to reduce both design and

prototyping time.

The technology to be used is HCMOS (high-speed complimentary metal oxide semi-ronductor) with 1.2 micron (millionth of o metre) spacings of the parts on the chips. Electron beam fobrication will

be used.

After two years' work the companies expect to have developed component libraries, computer-aided design tools and prototyping facili-

In the last year of the project the aim is lo demonstrate that a fully tested prototype can be produced on one chip in less than a month.

Wire alarm device

ORGANISATIONS concerned about theft may be interested in the Electro Thread, lengths of wire, easily attached to small items, which trigger alarms when taken past electromagnetic

The wires, in 4 ins strands costing about 3p, are produced by Knogo, a US company with UK headquarters in Marlow, Bucking-hamsidre. They follow the same principles as electronic tag security systems, also sold by Knogo, which are used by

University grants body buys software licences

on a phosphatase gene (PH05), is already being used by Ciba-Geigy for the expres-sion of Alpha Interferons and

tissue plasminegen activator in baker's yeast. When com-

hined with Blogen's henalitis

gene, it will provide a higher yielding and controllable synthesis of surface antigen.

arguing that ronfirmatory letters still had to be sent. How-ever, they are believed to tradition by buying software licences from o number of computer-aided design system suppliers for distribution to include Racal, Silva-Lisco, Genuniversities.
The committee's conventional rad and Silicon Microsystems. The licences cover mechanical engineering computer - aided design (Cad), architecture and role is to allocate funds to indi-

microelectronics, Dr Peter Jones, of Man-

UK NEWS-POLITICS

Hugh Carnegy assesses the campaign in Crossmaglen

Split among the nationalists

threatens election chances

The problem, be said, was

chester University, chairman of the committee's working party Committee officials refused to on microelectronics fabrication

electronics Cad, for which I an in-house Cad system devised knowledge of silicon devices is to get more people in inte-am responsible." by the UK semiconductor complysics.

that it was too expensive to buy such facilities for individual universities. What we have negotioted is a nationwide educational licence for the use of the software." The software is believed to include Racal's Isls, capable of

handling integrated circult de-

high level of complexity re-quired by its Transputer micro-ment of components on the chip

standard cell libraries, which teru generation are "Lego blocks" of electronic functions allowing customers to design chip layouts quickly and with a better silicon utilisation involved with the committee's

Company Notices

ROWNTREE MACKINTOSH INTERNATIONAL FINANCE BY. £18,000,000 101% STERLING FOREIGN CURRENCY BONDS 1988

The . Silva-Lisco surface. Genrad supplies o logic Silicon Microsystems provides simulator with links to test pat-Professor Eric Dagless, of

disclose the suppliers with and computer-aided design, signs of up to 250,000 compo- than gate-array technology, microelectronics working party, which it had been dealing, said: "The major need is for nents, which was evolved from without requiring an in-depth said: "The principal objective

grated circuit design out into

"A major limitation, as far

as microelectronics education is concerned, is the total inadequacy of computing facilities and software available in universities. That is one of the questions being addressed by the rommittee now.

"There has been a major initiative by the Science and

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PABXs, Key Systems, Electronic Mail, Voice Messaging, Cellular Radio, Radiopaging, Regulation Update.

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exhibition tickets.

Anglo-Irish accord has had little impact in Republican areas

holding its 40 per cent sbore of the nationalist vote in the four seats it and the moderate Nationalist Perty, the Social Democratic and Labour Party, are contesting. "Keep up the pressure on the Brits" was the

Whether he will be proved correct on January 23 is some-



Instead, he sot in Sinn Feln's netty or marginal bulling majority. These are Newry and Armagh, Fermanagh/South Tyrone, Mid-Ulster and South Down. army fortress and contemplated the coming poll, brought about when the province's 15 Union ist MPs resigned their seats in Newry and Armagh represents the best chance for a nationalist win. At the 1983 election, Mr Seamus Mallon, deputy leader of the SDLP, trailed Mr Jim Nicholson of the state of the space of The agreement, he said, mede little impression in tradition official Unionist Party, by just

Mr Nicholson, the only Unionist candidate then and now, polled 18,988 votes to 17,434 for Mr Mallon and 9,928 for Mr McAllister. The leftwing Workers Party, which also has e candidate this time, wan 1,070 votes. Crucial this time, is how many of the 12,000 time is bow many of the 12,000 people who did not vote last time, two-thirds of whom are reckoned to be nationalists, come out on January 23.

ome out on January 23.

Mr Mailon expects Mr Nicholson to raise his share by 1,500 to 2,000, leoving the SDLP needing about 4,000 new votes to win. The question is whether he can draw support away from Sinn Fein or whether he must

Whether he will be proved correct on January 23 is something both London and Dnblin will be watching intently. Their accord giving Duhlin a formol role in Northern affairs for the first time was designed to undercut support for the IRA and Sinn Fein, its political wing, by redressing Nationalist grievances.

Few people dombt that the Unionists will receive overwhelming backing from their community for their rejection of the agreement in the election. Less cleor is the response of nationalists.

Sinn Fein or whether he must rely on getting out previous non-voters.

The thrust of both the Sinn Fein and the SDLP campaigns, at least in Newry and Armagh, suggests that neither party expects the Anglo-Irish agreement to have too much effect. Mr McAllister says the hope that the agreement will erode Sinn Fein supporter remarked: "All the Anglo-Irish agreement will erode Sinn Fein supporter remarked: "All the Anglo-Irish agreement will erode Sinn Fein support shows that the agreement will erode Sinn Fein support s

concession in Mr Mallon's cam-paign that be does not expect to steal too many votes from He is campaigning clearly on the message that he is the only

candidate who can defeat Mr Nicholson. The Anglo-Irish agreement is mentioned in SDLP leaflets but rarely on the doorstep. When it does come up. canvassed and canvasser express mutual scepticism about its chances of success.

Unlike Mr Nicholson, whose canvass is a brusque affair of shaking hands with the faithful Mr Mallon spends tima with each voter. He puts his changes as fair. "The wind is not in our fece, it's slightly of our back. That's one thing we know," be says. The metaphor is apt because bad weather on the 23rd would hit the nationalist vote harder than the well organised Unionists.

Because of the split nationalist vote, the prospects in the other three seats of beating the Unionists are slim. In Fermanagh/South Tyrone, the split should allow Mr Ken McGuinness of the OUP to beat

Enoch Powell is seen as one of the most vulnerable Unionists

off the challenge of Mr Owen Carron, the Sinn Fein furmer MP who has been allowed ball to fight the election. He faces charges of possessing o rifle and

After Newry and Armagh, the most vulnerable Unionist would oppear to be Mr Enoch Powell, whose majority of 548 in theory ought to increase because of the absence of a candidate from the Rev Ian Paisley's Democratic Unionist Party, However, the SDLP bave some hope that some hardline Unionist disaffection with Mr Powell combined with a fall in the Sinn Fein vote could let in Mr Eddie McGrady. In Mid-Ulster, the Rev William McCrae of the DUP, in spite of having remarked: "All the Angloof nationalists.

Sinn Fein, which opposes the
accord, and the SDLP, which
supports it, are fighting only
those seots where there is a

BANQUE INDOSUEZ US\$150,000,000 Floating Rate Notes due 1990

In accordance with the terms and conditions of the Notes, notice is hereby given that for the six month period from Jonuary 15, 1986 to July 15, 1986 the Notes will carry an interest rate of \$3,1%. The Coupon amount so calculated will be 1962515.82 SANQUE GENERALE OU LUXEMBOURG

ALCAN AUSTRALIA LIMITED

In accordance with the provisions of the Norse notice is healty given that the rate of interest for the period 16th January 1996 to 16th Joly 1996 has been fixed at 3.525 per cert per annum. On 16th July 1996, Interest of 1058431.65 per US\$10,000 nominal amount of the Notes, will be due agents interest Coupon No. 9.

SWISS BANK CORPORATION INTERNATIONAL LIMITED Reference Agent

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FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER

LONDON-FRANKFURT-NEW YORK

Financial Times Thursday January 16 1986

BUSINESS LAW

The written word may not be the last word

By A. H. HERMANN, Legal Correspondent

IN THE end, one discovers, therefore be grateful that the parties enter into a contract, conclude that they made sound principles as the laws of covered that it esn achieve law partly in writing and partly by other countries. Only it takes a reform without Parliament by a conduct, the court must look iong time to discover them simple restatement of the law- at all the evidence from start because they ere shronded in a device well known to Amerito finish to see whet the bargain a conclusion. mystery which English lawyers can lawyers and used by tham was that was struck between solve while imbibing at the Inns with great effect. of Court dinners by which they qualify for advocacy.

One such mystery has been invoked now against the Roskill proposals for the abolition of the jury in complex frand trials. "By whose standards will the henesty of the defendant's conduct be judged by such a tribunal?" asks the Law Society. According to the classic defini-tion, cleaned of all the unnecessary embellishments provided by clever defence lawyers, fraud censists of behaviour designed to leed others into error for the offender's own gain. Such behaviour does not need to be quelified as dishonest by a jury because it has already been declared dishonest and punishable by the law. Though the questien of

highly topical in the City of London et present, it is not the most important legal concept obscured by historical ballast and muddled thinking. It took the Law Commission, an august body of five top lawyers concerned with law re-form, over 10 years to discover that the so-called Paroi Evidence Rule, according to which (it was believed) written contracts earnot be Varied contradicted or subtracted from by means of oral evidence, is no rule of law at all. Not te speak of the usual linguistic muddle of using the term as equivalent to

In its report, published last week*, the Law Commission apparently concludes that to to remove such superstitions by legislation is like beeting the air. "We hope," says the Commission, "that this report will itself go some way towards eiarifying the law and that a process of re-education, if necessary, is a more satisfactory means of achieving justice than any attempt to legislate."

Had the Law Commission concluded that legislation was necessary, nothing would have happened anyhow because Parliament's attention is more easily attracted by a clash of personalities than by such boring matters as the interpretation of contracts. We must

In the absence of a codification of tha law of contract, attempted but given up by tha Law Commission, we must be grateful for such little biessings as the Commission provides and of which their latest report is one.

Ten years ago, when the Law Commission published its work-ing paper number 70 on the Parol Evidence Rule, it still assumed that such a rule of iaw existed, though it suspected that the exceptions to it were so numerous and so extensive that the rule itself bad been largely destroyed by them. Since then, the composition of the Commission has changed and ir has reached the conclu-sion that this so-called rula is ne mere than e circular state-ment to the effect that when parties te a contract record in writing all the express terms of their agreement, evidence contradicting or altering thoss express terms will be inadmissibia because it is irrelevant.

If two parties agree that, in a year's time, one will build a three-bedroomed bouse for the other, according to e specified design and record this agreement in writing, there is no point in considering evidence that they did not make such an agreement. However, such an sgreement is far from complete and unequivocal. The parties could bave erally agreed provi-sions about access to the bouse, cts beating, the colour of its walls, the delay which the investor will allow if necessary, the terms of payment and many other matters, discussed before or after the written contract was made and not recorded. All such matters can, ef course, be subject to oral evidence when it comes to a dispute between the parties.

The so-called Parol Evidence Rule could be applied only when there was a written con-tract—one which contains all the terms of the agreement. Evidence that something pre-ceding or additional to the written document was also agreed immediately disqualifies the document - it is no longer a written contract but merely the written part of a contract. When

3 Gossip with Jill'a climbing

4 The first time in, played

5 Stumble on oil product that's

6 Ring me after Septembe

7 Flexible tile bent and put round the top of the handle

He paints the scenery on

13 Odd campers-about ten-on

21 The man I'd brought back

23 Shot right away, being old-

24 Joy is npset, for example about the Parislan (4)

Solution to Puzzle No. 5,922

COMPOSTRICAL MOMENTS OF THE ACT O

in was a sculptor (5)

fashioned (5)

a steep slope (10)

sieve (7)

moves skilfully (7)

1st, fer certain (4)

capital (7)

companion, the toad i (10)

the parties, as Roskill LJ said; in Evans & Son [1976] 1 WLR

A recent decision of the German Supreme Court (BGB I ZR 238/83) reveals an identical approach and confirms that treatment of documentary evidence is much the sams in civil

law systems. Often one encounters the view that the discussions which lead to a contract should not be considered as an aid to its interpretation.

In the US the written contract must be presumed to be the complete record ef the parties' agreement if it spears, to be so on its face. Such a ruls would be a theoretical possibility in the UK but, as the Law Commission states: "No English court so far, as we are aware, bas se stated the rule and we are confident such pro-position does not represent English law today."

On the contrary, Lord Russell, CJ, saidt that when parties arrive at e definite written con-tract there is a strong presump-tion that it is intended to con-tain all tha terms of their bargain, but it is only a pre-sumption, which can be dis-

The presumptinon that a document which looks like a contract is to be considered as tha whole contract is ena of fact and not of law and ean be displaced by evidence. What the parties had in mind is not of decisive importance but the court will bave regard to what was said or done as well as to the documents and wbether a reasonable person would take the document as containing the whole of the agreement.

The Law Commission reached the opinion that a so-called; "merger" or "integration" clause stating that nothing was agreed that is not contained in the document has no conclusive, effect. Indeed, if the parties intended that an additional term should be recorded in the document, any one of them could ask the court to rectify the document. If the parties, intended to achieve something they did not include in the contract, the court might

English law rests on the same Commission has finally disthat was made partly orally, another collateral contract verb ally and that this existed alongside the written contract. The iotegration clause would not prevent the court reaching such

> There is a greater problem when orally agreed terms conflict with the written terms but even here the solution is no more difficult than when the court is faced with a document twhich contains two terms inconsistent with each other. In either case, the court will have te decide which ef the inconsistent terms more nearly represents the intentions of the

The Law Comission points out that the magic attached to documentary evidence is rooted in the medieval system of classifying evidence into categeries, some superior to others. But the overruling principle in force at present is that the intention of the parties must be established by whatever evidence is most suitable. The "written contract" itself may be an exchange of letters er a formal written contract

er a formal written contract embodying the provisional agreement reached earlier but not valid in itself, or a record ef s previous eral agreement which was valid at the time when it was made but was superseded by the written document.

Written contracts of this sort represent the whole of tha agreement between the parties or part of it, or they can run in parallel to another contract and beve m be considered together with that parallel contract unless they are docu-ments of title such as promissory notes, bills of exchange or bills of lading. Even in the case of such negotiable instruments the immediate parties may be bound by an oral, collateral warranty while other holders of the instrument who acquired it by its negotiation are bound only by the contract contained in the written instrument.

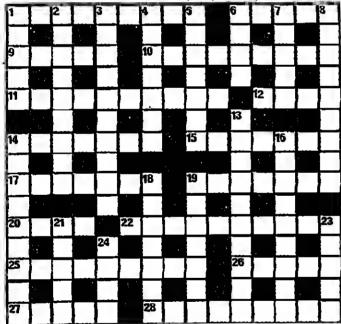
The Law Commission report will be found most useful by practitioners and businessmen. It shows that a written contract is not the end of the world but it also points out that the apparent completeness of a written contract has the practical effect of deterring unwarranted efforts to deny its terms.

¹⁹ The Perol Evidence Fisle, Lew Cam-mission No 154, E3-90. † In Gillaspie Brog & Ca. [1896] 2 QB 59 at p52.

UNIT TRUST INFORMATION SERVICE



F.T. CROSSWORD PUZZLE No. 5,923 أأنسيه وساحا والأرا والإداميون



ACROSS

- 1 Added: "Pop back with tha chandelier" (9)
- 6 Likewise cover with solvent
- 9 Put the party record in the front of the store (5)
- 10 The way I'm acting could be puzzling (9) 11 Cite, or put another way
- "there'e something painful about punishment;" (10)
- 12 Show in, except for the Egyptian leader (4)
- 14 The epoil-sport, unusually: jelly, is following "The King and I" (7)
- 15 Coffee is often in assorted tins, a sort of brown colour
- (7) 17 Local oil apt to be distri-
- buted round about (7) 19 School type has broken arm after midnight drive (7)
- 28 Was informed "there's no
- point being cruel " (4) 22 Reluctant to be ill (10)
- 25 Having little swellings, one adult confused the leading doctor (9)
- 26 Expel for writing about vice on the middle watch (5)
- 27 Where one aims, with the water I removed, to get the end taken off (5) 28 Softened in some way,
- there's very little need for cooking (9)

DOWN

- 1 For instance, detectives turning up with an echo sounder (5)
- 2 Stationery item from oddlyshaped parcel Philip is hold-

APPOINTMENTS

International division posts at NatWest

Mr Robin Butcher has been appointed senior international executive, with NATIONAL WESTMINSTER BANK'S world corporate group, international banking division based in Londoo, having previously been Londoo, having previously been chief manager of the Bank's Hong Kong branch. Mr Roger Lacy moves from Singapore te become chief manager in Hong Kong end is succeeded in Singapore as chief manager by Mr Mike Brigden formerly manager. of NatWest's marketing and co-ordination department, interna-tional banking division in

BRISTOL AND WEST BUILD-

ING SOCIETY has made a series of management changes. Two new assistant general managers have been appeinted. Mr John Burke, formerly egency manager, becomes assistant general general proving the series and plenning the series are series and series are series are series and series are series are series and series are series pecomes assistant general manager operations and planning and Mr John Clarke, formerly London and south east regional manager becomes assistant general manager mortgage and related services. Two existing assistant general managers assistant general managers assume new responsibilities. Mr Robert Coverdale is appointed Robert Coverdale is appointed assistant general manager marketing and Mr John Hutton will become assistant general manager corporate information and analysis. In a new tier of management, Mr Brian Norris becomes strategic planning controller, Mr Michael Stoble becomes branches and agencies controller, Mr Roy Hill becomes management services controller and Mr Geoffrey Thomas becomes property controller. becomes property controller.

Dr Udo Ziegenhern has been appointed head of the London representative office of BREMER LANDESBANK succeeding Mr Sydney Haywood, senior representative. 14 A former war minister takes a room with Elizabeth - (9) 16 — and upsets the girl I ought take into confession

18 Getting nothing back, cuts
out the medicine (7) FOLGATE INSURANCE CO, has appointed Mr Anthony Newell as genaral manager. 19 Cook, somehow, when first grated and put through a

Alexander & Alexander has formed a new company, ALEXANDER STENHOUSE, to control the combined retail broking operations of Alexander & Alexander end Reed Stenbouse in the UK following tha merger of the companies. Mr John B. Devine, who sits on the A & A Services board, has been named chairman of Alexander Stenhouse, with Mr John D. Loudon as deputy chairman and chief executive. The chief eperating officers of the two main operating companies in the Alexander & Alexander has eperating officers of the two main operating companies in the UK have also been appointed to the main executive board. They are Mr Rouald Forrest, of Alexander Stenhouse UK, general broking arm of the UK business, and Mr Allan Durward, of Alexander Stenhouse Financial Services employee benefit, life assurance and investment arm. In addition, Mr Ian Robert-

son has been appointed to the board as finance director.

Mr Klaus Hebben has been sppeinted chairman of CAL FUTURES.

MERCANTILE HOUSE HOLD-

INGS has made the fellowing board changes in moneybroking subsidiaries. Her Richard Toomer is appointed chairman of Marshali Woellwarth & Co. of Marshall Woellwarth & Cu.
and Marshall (Sterling), and bas
responsibility for the European
regien ef moneybroking
activities; Mr Sid Muller is
appointed chief executive of
Marshall Woellwarth and Mr Jehn Tee chief executive Marshall (Sterling). Mr Mich Marshall (sterling). Mr michael Warren is appointed executive director responsible for the moneybroking group planning. Mr Michael Knowles has retired from the Marshall group and Mercantile House Holdings.

Mr Peter Fernandez has been appointed director for sales and marketing by C. H. BEAZER HOMES WEST. Mr Fernandez was marketing manager, and takes over from Mr Eric Dyer who has been appointed assistant managing director.

ABBEY NATIONAL BUILD-ING SOCIETY has appointed hir Terence Murphy as general manager with responsibility for personnel. He was assistant general manager (personnel).

Mr Paul F. Rogers, has joine WELDING RODS as a technical director with e seat on the board

of the group parent company.

*

Mr Christopher Fenney has been appointed personnel direc-tor of ARA SERVICES. He joins from Manns Brewery Co, where he was personnel director.

Mr Terry Adams has been appointed chief executive and director of the SKIPTON BUILDING SOCIETY. He joined in October 1933 as general manager end has seen the Society nearly double in size during the last two years.

ALFA-LAVAL AGRI 2 new company which incorporates the Alfa-Laval group's UK agricultural activities, bas made three board appointments. The chairman is Mr Bo Wirsen, who make the property of the chairman is managing director of man is managing director of the UK group's holding com-pany. Deputy chairman is Mr Leil Rogerson, the managing director of Alfa-Laval's Swedish Agri group. Appointed managing director is Mr John Stafford. formerly managing director of the Alfs-Laval UK farm equipment division.

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Mr Bavid M. Parr. general manager of the FSSEX WATER COMPANY, has been appointed a director.

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PLATIMUM 50 troy oz. \$/troy oz

Court backs Tin Council immunity

By Stefan Wagstyl

THE INTERNATIONAL Tin Council, which is holding its latest round of emergency meetings on the tin crisis this week, won a claim to diplomatic immunity from legal action in

Arab Banking Corporation, one of the ITC's 16 banking creditors which ie suing the council for £15.5m, failed in an attempt to win a court order stopping the couocil from sell-ing ossets.

Mr Justice Steyn, in o private bearing in chambers, ruled that the ITC was immune from enforcement orders of this kind. He rejected Arab Banking's argument that the ITC had waived its immunity in a clouse in the loan agreement with the bank which allowed for dis-putes to be submitted to a UK court. The judge ruled that this clause referred only to the court's role as an odjudicator and not as an enforcement

agency.
It is understood that the judgment leaves Arab Banking free to cootinue legal action to try to recover the loan money.
It is unclaar to what extent
the ruling establishee a general precedent on the question of the ITC's immunity. Lawyers acting for the tin council and for the creditors to whom it owes bondreds of million of pounds will be closely studying the judgment, which Mr Justice Steyn made public.

Three London Metal

Exchange brokers bave started arbitration proceedings against the council under the rules of the LME. They believe that if they need to turn to the courts to enforce an arbitration ruling they can because the bead-quarters agreement setting up the International Tin Council, says that immunity is waived

secure a negotiated settlement of the crisis continued yesterdoy at the ITC, which odjourned its meeting until tomorrow. The council set up a omall group to meet today with the authors of the latest rescue plan-Mr Peter Grabam, senior deputy chairman of Standard Chartered Bank and Mr Ralph Kestenboum joint manoging director of broker

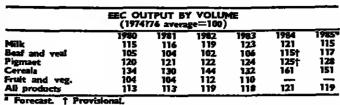
Gerald Metals. The group will discuss objections to the plan which calls for the creation of a new company to take over the council's assets and liabilities.

EEC warned on surpluses MARKETS

RUNAWAY SURPLUSES and inadequate controls threaten to make many sectors of the EEC'o Common Agricultural Policy (CAP) both "unmanageable and unfinancable," according to an unusually stark annual report published yesterday by the European Commission.

Moreover, the occession of Spain and Portugal to the Com-munity will add to the strains on the CAP, the 440-page Agri-

insufficient to bring about a to 3 to 1 bealthier market balance or Portugal even prevent some surplus Small stocks becoming unmanageable root of the stocks becoming the stocks become the stocks because the stocks become the stocks because the stocks because the stocks because the stocks become the stocks because the stocks



spain and Portugal to the Community will add to the strains on the CAP, the 440-page Agricultural Situotion in the Community (1985) warna.

Thio deeply gloomy conclusion comes in stark contrast to the more upbect onalysis presented last month in the summary of a six-month-long debate between the Gommissions' ogricultural managers on the future of the CAP.

Reviawing the state of the markets for farm produce, it states: "With so many Community markets saturated, and with poor prospects for increased solvent demand or reduced competing supply on of employment but contributes on the CAP required for the community is a coount of the likely effects of enlargement of the Community that EEC farming—already relotively inefficient compared with the Community's other economic activities—will become more an with the arrival of spain and Portugal.

In the Ten, agriculture of employment but contributes on the capt of rational pro-

reduced competing supply on of employment but contributes world markets, it is clear that existing market instruments are duct. This 2 to 1 ratio, falls to 3 to 1 in Spain and 4 to 1 in

Small inefficient farms—the root of the EEC's agricultural problems—abound on the lberian peninsular. In Portu-This applies even to sectors—
such as dairy and wine—where wide-ranging reforms bave been less than 5 bectares, and 94 per last year, hit earnings, bowever.

cent less than 10 bectares; for Spain, the figures are 70 per cent and 80 per cent respectively.

respectively.

In addition, the potential growth in output for Mediterranean produce, stimulated by higher EEC prices and grant aid, is likely to boost output of many products already in surplus.

The new member states will increase the number of holdings.

increase the number of boldings within the EEC from 6.8m to 9.8m while production will rise from 0 value of Ecu 150m yearly to Ecu 168m. However, the accession will also reduce the EEC's farm trade deficit from Ecu 23.6m to Ecn 16.6m. Contrary to many claims, the

report argues that farm in-comes have risen marginally in real terms by an average of 0.3 per cent per annum between 1975 and 1984 while the total value of production rose by 2.3

US export bonus scheme begins to show results

BY NANCY DUNNE IN WASHINGTON

just 1m tonnes less than the entire output of Canada, Argentina and Australia com-bined, according to figures just published by the US Agriculture

Department (USDA). since November 15. According inconsequence to USDA officials, Egypt, Algeria, Turkey, the Philippines, Iraq, Morocco and Zaire bave all made purchases tonnes of commodities — which the result new theorems of the products that the result new terms of the products of the result new terms of the

THE US Administration is at red winter wheat of consider-last beginning to see results ably reduced prices. Last week'e from its much-heralded deal at \$119.50 per tonne (with the International Tin Council, export enhancement programme, a \$19.17 per tonne bonus) says that immunity is waived in the case of arbitration awards.

Meanwhile, attempts to otocks at the end of this year \$138 per tonne.

Thus far, the department bao given bonuses totalling \$152.3m wbeat, flour, maize and sorgbum. This is far short of the \$2bn three-year programme Department (USDA).

The export enhancement programme, which pays exporters bonuses from Government stocks, has produced 10 sales such as the EEC—but it is not inconsequential in today's

Meanwile, Mr Block this week announced a dramatic lowering of loan rates for farm products in a bid to make farm exports more competitive. This

India rejects call for tea export pledge

The Indian Government has turned down a plea from the tea industry that it should fix a stable long-term policy on ex-

Speaking to tea growers. Mr F. K. Tripathy, chairman of the Indian Tea Board, said the Govbow a long-term policy anexport capacity, and that it could easily be derailed by price fluctuations on the world mar-

The tea industry has been np set by the frequent changee in export policy over the past couple of years, including the temporary export ban, the ex-

port celling and the recently-scrapped minimum export price. • In onr orticle of December 20 on the Toro and Mityana Tea Company, we referred to a \$5m loan from the International Finance Corporation. The Common-wealth Development Corp has It would be funded with £200m they would not bave made withof risk capital from member governments, £50m from Turkey. for example, has brokers and £20m from banks bought 456,600 tonnes of hard last month.

The compensive they would not bave made withwas expected under the new wealth Development Corp has asked us to point out that it was also a participant in this credit.

Max Wilkinson on the forthcoming Saudi/UK oil talks

The battle of nerves intensifies

Britain are to bold talks about barrel for May delivery. since the loss in government countries do to belp stabilise to oil market begs the immediate question: "What could prices io less pronounced, with balanced by the gain in lower much. Discreet advice might be they possibly bave to talk netback prices working out at costs and some stimulus to sent out to North Sea operators about?

between \$25 and \$26 per barrel, growth.

saudi Arabia's policy das deen to draw non-Opec countries, particularly Britain, into some sort of understaoding, the UK Government bas repeatedly stated that it will bave nothing tion declines in the early stated that it will bave nothing the consumption of t stated that it will bave nothing to do with any oil cartel aimed

It is not obvious where there can be room for compromise, yet the very fact that Sir Geoffrey Howe, the Foreign Secretary, agreed that a further meeting ehould take place suggests at the least that the rature of mutual anxiety bas been rising.

Since the last Opec meeting in Geneva on December 7 it has become increasingly obvious that Saudi Arabio's threat to engage in an aggressive puch for an increased share of the market was in deadly earnest. One major oil company estimates that the kingdom ia pumping about 4.9m barrelo a day this month. That is some 13 per cent more than the maximum quota agreed by Saudi Arabia with its partners in Opec, and it is twice the level of Saudi production during the last period of weakness in the oil market in the summer and

Saudi Arabia bao therefore completely turned the tables on the other 13 members of the oil cartel. After a year in which it scaled down its own production to an average of 32m b/d frum a quota of 4.35m b/d, it is now

sales.

The first netback deals, negotiated in September, are due to expire this spring, but there is a atrong consensus in the oil

THE ANNOUNCEMENT on market Breot crude is being gradual fail in oil prices could Yet what, in practice, could Tuesday that Saudi Arabia and offered at little above \$20 per be accepted with equanimity, Britain and other non-Opec

While the major thrust of but this is well below price Saudi Arabia's policy has been levels last autumn.

spring, prices are certain to fall, perbaps very steeply, un-

US petroleum stocks continue to run well behind last year

a quota of \$\bullet\$ 35m b/d, it is now exceeding its quota by more than any other Opee member in absolute terms.

It has been doing this partly by increasing its efforts to secure for itself a "core market" through discounted or "net-back" deals. These are contracts in which the price paid for Saudi crude is tied to the priceo obtained by oil companies for the refined products. These deals now account for about half of Saudi oil sales.

Tent output by the Opec countries is running at 17.5m to 18m b/d. He believes that this will bave to be scaled bock to between 14m and 15m b/d by April on the assumption that non-Opec producers continue output at the present continue output at the present continue output at the present to be cut by around 3m to 4m bolance of payments to be cut by around 3m to 4m bolance of pay

for the London broker, Grieve-son Grant, estimates that cur-oide Opec very limited.

SO GULF OF OPEC with stocks of crude last week falling 23.6m barrelo behind the level at the same time in 1985, according to the American Petroleum Institute (API), writes Nancy Dunne in Washington.

At the end of last week, crude stocks stood at 318m barrels, down 5.5m barrels from the previous week. Stocks of distillate fuel oll rose slightly to 144m barrels but remained 15m barrels below 1985 levels.

Residual fuel oil stocks edged down 1.7m barrels during the week to 46m barrels.
Demand has been dropping,
and residual atocks are now 8.7m barrels lower than dur-ing the same week last year. Stocks of petrol are new 15m behind 1985, an improvement from the gap of the summer. They were reported at slightly more than 226m barrels.

OULF OIL SHARE **Arabian Gulf Oil Export Factor** 25 Consumption
20 Factor
OPEC COUNTRIES
15 COUNTRIES 1970 72 74 76 78 80 82 84 86

Gambridge Energy Research Associates (Cera), the US con-

In

fore that the target of Saudi Arabia's recent aggressive strategy is North Sea production. In the case of Britain, this has been emphasised by the recent \$4bn deal for Britain to sell Tornedo aircreft with part

to extend maintenance periods However, any sharp fall in and to delay some new projects.
oil prices below, say, \$18 per
Cera thinks this could cut Cera thinks this could cut

barrel could create major prob-lems, particularly if it led to a perhaps 200,000 to 400,000 b/d. run on sterling, and general international uncertainty about half this amount from other less output is curtailed.

Mr Mabdi Varzi, oil analyst, for the London broker, Grieve
Associates (Cera), the US consolidated in the Soviet Union might also belp.

However the total contribution of non-Opec producers would at production difficulties in the of non-Opec producers would at the most be only about 1m b/d and might be only half this

Cera comments: "However, the likelihood of timely, adequate and sufficient reductions io small," at least until the price fell below \$20 per

At around \$18 per barrel ne high-cost North American oil production would become uneconomic so that production of some 1.5m b/d to 2m b/d could be stopped temporarily. On the other side of the supply-demand equation a abarp fall in prices could stimulate some rebuilding of stocks, which Cera estimates might add 1m to 2m b/d to demand for up to

So, sooner or later, the price will be vulnerable, and in the words of one senior oil execu-tive: "It will carry on falling until somebody flinches." Thus although Sandi Arabia and Britain, have, in one sense,

nothing to talk about, they also have, like all poker players, a great need to watch each other carefully, to keep up some sort of conversation and to guess each other's deepest intentions. In Britain there is already a clear recognition that "market forces" could not be allowed to gallop away with the price beyond all limits, As one senior official remarked: "Whatever the con-

oequences for Britain, we would be bound to be worried about the effect of a serious price collopse on some of the debtor nations and on the world's banking system." So at some point very important tele-

tiated in September, are due to expire this spring, but there is a strong consensus in the oil industry that they will be renewed on similar terms.

The effect of thia increased production has been evident in the weokness of the oil market. Although spot prices have not, on the whole, moved dramatically. Brent crude is now 22 per cent below its price in November 1985 when it was just over \$300 per barrel. In the forward lit more than equals Saudi at more \$450 deal for Britain to sell Tornado aircraft, with part of tha payment in oil.

At one level, this is merely a recognition that almost all though spot prices, since from oil; but in present market of the message that the price of the message that the price of the short term.

Britain's position is that a production.

Britain's position is that a production. This cut in production to bring supply and demand back a recognition that almost all the recent \$450 deal for Britain to sell Tornado aircraft, with part of the payment in oil.

At one level, this is merely a recognition that almost all the recent \$450 deal for Britain to sell Tornado aircraft, with part of the payment in oil.

At one level, this is merely a recognition that almost all the price of this in present market of the payment in oil.

At one level, this is merely a recognition that almost all the power of the payment in oil.

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We will not take advantage of only restraint by Opec members from oil; but in present market of the payment in oil.

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We will not take advantage of only restraint by Opec members from oil; but in present market of the payment in oil.

We will not take advantage of only restraint by Opec members from oil; but in present market of the payment in oil.

This cut in production, to the payment in oil.

We will not take advantage of only restraint by Opec members the present market of the payment in

COFFEE FUTURES tinued their recent

tinued their recent wide fluctuations yesterday with values on the London market ending the day near the bottom of a \$200 trading range. The March position closed at \$2,525.50 a tonne, down \$58.50 on the day and nearly \$600 below the \$1-year peak reached early last week. Dealers said nervous profittaking wiped out early gains after the New York opened after the New York opened sharply below overnight ievels. Though fundamentals remain strong, operators are opting for caution in view of the possibility of the early suspension of International coffee Organisation export quotas — expected in any case by the middle of next month — and a downturn in coffee prices on Brazil's Sao Paulo exchange. Early losses on the cocoa futures market were nartly recovered during were partly recovered during the day but the May position still ended £11.50 down on balance at £1,713 a tome. Talk of Pakistani and Indian buying interest helped to lift sugar values a dollar or two following the recent decline. On the London Metal Exchange profit-taking and long-liquidation trimmed back copper prices following the recent advance. Cash higher grade metal slipped back below the £1,000 a tonne mark, which it breached on Tuesday for the first time since mid-September. Other base metals were also weaker.

LME prices supplied by

Amalgamated Metal Trading. ALUMINIUM

	Unofficial close(p.m.) £ per to	`	High.low
onths	800.5-1.5 827,5-8	-5.5 -5.5	793-795 832-210
/-5), I	clesing (at	822	ah 795-8 (823-5),

close: 828-9. Turnover: 21,450 tonnes. COPPER

	Unotic	1 -6-01	
Higher arac	close	-	High fow
Cash 5 months	997-8 1024-3	5 5	1000 997 1030 1024
(1005.5-6).	thres	month 11 99	Cash 997.3 a 1025.3-6 7.3 (1006).
Cathodes Cash 3 months	981-3	~6 -5.5	. =

Official closing (am): Cash 983-3 (987-8), three membs 1014-5 (1018-5), settlement 995 (988). Turnover: 26,300 tonnes. US Pro-ducer prices 69.5-73 cents per pound.

closesp.m.; —	High/low
Cash 353,5 6,5 —8 5 menths 266 S —1,5	266,7;298,5 367,3.266
Official closing (am): Ce (257-8), three months 257, .5), senlement 257 (258), close: 266-67. Tumever: 10,800 tonnes. 18.5-20 5' cents per pound.	255 (267-

Cash 2825-40 -2,5 -2910-2890 Official closing (am): Cseh 2810-20 (2835-45), three months 2889-90 (2905-15), settlement 2820 (2845). Final Kerb close: 2890-00. Turnover: 984 tonnes.

High Orade	iclose (p.m.) —	
Cash 5 months	433-6.5 -8.1 450-1 -8.1	75 153,448
(447-S), the settlement close: 451. Tumover	closing (am): hree months 448, 437 (448). 5-2.3. 7: 5,950 tonnes. 33-33.75 cents p	Finel Kerb

GOLD Gald rose 58 to \$346-345°2 en the Londan bullien merkal yestarday, to the highest closing level ainca November 13 1994. The metal epaned at \$341°2-342, the day's law, and was fised at \$345.30 in the morang and \$348.75 in the attended. It touched a high of \$348-345°2, supported by demend which task geld above a tschnical resistance peint, in apite of the lack of any tresh news.

GOLD SULLION (fine ounce) Jan. 15 Close \$346-3461₂ (£2321₂-840) Opening \$5411₂-342 (£237-2371₂) M'ni'o fix, 5546,73 (£240,066) Afth'n fix \$346,73 (£240,665) Krig-rind s3471₂-348 17 Krug. 5184-1841₂ 14 Krug. 5184-1841₂ 14 Krug. 588-39 Maplelent 8507-5571₂ Angel 834-59 110 Angel 834-59 110 Angel 834-501₄ Old Sov. 8224-281₄ 12New 807-428-501₄ Old Sov. 891-281₂ 320 Engle 8400 490 Nebia Pizz 8375 080 (EXC4054 241 L41 (EX10712-12734) (EX50-65:4-(EX514-87) (EX412-247734) (EX412-247734) (EX514-2754) (EX514-3754) (EX542-3454) (EX542-3454) (EX542-3454) (EX542-3454) (EX512-3454)

SILVER

Silver was fixed 6.05p an eunce higher for apol delivery in the London buillen market yesterday at 424.05e. US cant aquivelents of the fixing levels warn: aect 610.2c, up 0.65c; threamanth 621.65c, up 2.65c; alix-manth 633.45c, ue 2.6c; and 12-month 659.25c, ue 10c. The matel aeaned at 418-420p (602-604c) and closed at 42112-4232p (609-611c).

SILVER Authon + or LM.E. + or per fixing - p.m. - unelfic'l LME-Turnover: 24 (37) lots of 10,000 Thma months high/law 437p, final karb 433-35p.

PHYSICALS — The Londan market openae ataadiar, faand resiatence at higher levels, but clased an a steady note, mours Lawis and Peak. Closing prices (buyers) aport 59.00¢ (58.25pl. February 57.70¢ (56.75a), March 57.25e (57.50p). The Kuala Lumpur lob prices (Malaysis/Olinpapore centr) parking R55. No 1 was 182.5 (182) and lar 5MR 20 173 (171).

US MARKETS INDICES PRECIOUS METALS moved sharply higher on good speculative buying linked to favourable technical indications along with heightened tension between the US and Libya, reports Heinold Commodities. Copper and aluminium cani: under scattered selling pressure on an overbought condition. Sngar registered modest gains on short-covering as commercial buying emerged, Cocoa traded PRECIOUS METALS moved FINANCIAL TIMES

Jan. 15 Jan. 14M th ago/Yearago (Bage: Jaly t 1952-100) REUTERS

Jan. 15 Jan. 14 M th ago Year ago 1854,41858,4 1775,7 ; 1981,1 DOW JONES Dow! Jan. | Jan. | Month Year Jones 14 | 15 | age | ago Spot 132,06 132,26 — 120,99 Fut. 135,90 136,39 — 124,91

MAIN PRICE CHANGES

(Base: December 31 1931 = 100)

* Not available due to suspen-sion of tin LME.



Cocoa Ft. May
Coffex Ft. May: £2552.5 -68.5-£2481
Cotton A Index
Gas Gif Mar.
Rubber Ikilo)
Sugar (rawl
Wooltops 644

Cocoa Ft. May
£271.5 -11.5.£1755.5
£252.5 -68.5-£2481
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£202.75 +2.75 \$228.75
£202.75 +2.75 \$228.75
£202.75 +2.75 \$228 ‡ Unqueted, † Per 75-1b Bask, c Cente per pound, v Jan-Feb, z Feb.

MEAT After a quiet morning, prices rose in the afternoon due to tresh trade buying and shert-covering in gond volume. The merket epopared well aupported despite continuing weakness in the physical market, reports Eastern Capital-CCST.

Sales: 53 (64) lote el 50 carceens, 3,250 kg.

mm-A:..COMMISSION—Average fat-stock-prices: at representative markets, GB—Cattle 94.959 per kg tw (--1.45), GB—Sheep 186.85p per kg est dow (-14.45). GB—Figs 70.87p per kg tw (-2.22). GB—AAPP 100.76p per kg dw (-0.88).

COCOA

Futures epened marginally higher, est due, and remained in e narrow renpa until lats afternoon, Pricex then totrested under praesure from the setting eltheugh light short-covering to the close lifted prices from the day's lower, Some light second-hand when the covering to the close lifted prices from the day's lower, Some light second-hand when the covering to the covering to the close lifted prices from the day's lower, Some light second-hand when the covering to the cover

Yesterday's

Close + or Business

E per tonne March. 1705-1706 -18.0, 1725-1825 May. 1718-1714 -12.0, 1755-1782 July. 1737 1736 -7.0, 1725-1782 Sept. 1756-1767 -10.0, 1772-1753 Rec. 1770-1771 -8.0, 1784-1784 March 1785-1791 -8.0, 1805-1739 May. 1795-1810 -6.5

Sales: 2935 (2676) lets of 10 tonnes. ICCO indicator prices (U3 cents per pound). Daily price tor Jamery 13: 105.24 (105.40); ave-day average tor January 16: 105.64 (105.73). COFFEE

The market opened £128 higher egainst a hearthy New York close in the apat position but heavy trade and commission heuse selling graduelly earthliabed the levele far the rest of the days. Belentiess celling pushed levels £200 lower with a weaker New York market helpho to maintain the pmasurg, reports Oraxel Sumbare Lambert.

COFFEE (Yesterdy + ar Buriness Pone

Seles: 10,670 (4,453) lots of 5 tonnes, ICO indicator prices (US cents per pound) for January 15: Comp daily 1979 211,70 (206,12); 15-day average 213,67 (212,13). FREIGHT FUTURES

Ospota an unchanged physical marker, lutures levels rose in quiet trading. The gains were restricted to the firm two positions, with the nearby July leaing ground from Tuesday's senilement, mperts Clarksen Welff. The Seltic Friight Index was \$12.5, cown 4.5. The Tanker Freight Index was 671, down 13. | Close |High/Low/ Prev.

Jan. 907/209 210/204 | 004/910 April 965,5:200 256/952 960/951 July 210/825 828 832/940 Cet. 920/927 - 910/925 Jan. 025/940 - 920/945 April 1000/1010 - 1000/1010 July 845-885 - 840/880; Oct. 985/989 - 270/990 Turnover: 126 (38). GRAINS

Old crop wheel agein moved to new cantract highs with shieper short-cavering and lack of physical offers the major features. Profit-taking provided a good trade and gains were trimmed 15-20p late in the day. Bartey was a touch steadier in light trade and new crops age some profit tende to temain in a tight range ground unchanged levels. mports Mulmpace.

WHEAT Jan — 114.40 Mar. - 117.30 May _ 1 180.50 July _ 128.90 Sept. | 92.80 Nov _ 102.20

Close High
Jan 56.85 —
Feb 55.15 —
Narch 60.50 55.05
May 55.10 56.95
July 56.70 96.95
Sept 57.30 —
Dec 38.20 —
Jan 99.00 —
Mary 59.70 —
May 59.70 —
COCOA 10 tomes, \$/tons Close High Low Pray 1237.89 242.00 257.50 257.40 258.34 257.00 256.34 252.34 250.32 264.38 264.38 264.38 264.38 270.33 268.32 268.32 268.32 274.38 264.38 271.95 271.96 271.96 274.00 274.00 280.00 COPPER 25,000 lbs, cente/lb

saort-covering as commercial huying emerged, Cocoa traded in a tight range reflecting the lack of fresh news. Fears that quotas will be suspended next week led to sharp losses in

coffee. Cotton traded mixed with light country movement

with light country movement lending support to old crop. A large drawdown in crude stocks led to 2 firm tone in energy values. The grain complex remained steady to firm with maize gaining on rumours of Russian interest.

The soyabean complex also attracted good buying in meal

and beans on reports of Russian interest.

ALUMINIUM 40,000 lbs, cents/ib

NEW YORK

Close 96.30 56.50 66.90 66.85 67.00 67.10 67.35 67.45 67,60 67.75

COTTON 50,000 lbs. cente/lb

CRUDE CIL (LIGHT) 42,000 UO gallons, 3/barrols.

GOLD 100 troy az, \$/troy oz

67.80 67.80

Feb March May July Aug

CHICAGO

LIVE CATTLE 40,000 lbs, cents/lb

SOYABEAN MEAL 100 tons, S/ton SOYABEAN OIL 60,000 fb, cents/fb

WHEAT 6,000 by min, cents/60 lb-bushel

LONDON GRAINS—Wheat: US dark narthern apring Ne 1 15 per cent Fab 136, Mar 137.25 sellers transhipment east coast. US Ne 2 acft rod winter. Feb 125.25, Mar 125.50 cellers. EC french Jan 136 seller. Englieh fad fob Jan 117, Feb 119, Mar 121, April/Juna 124 sellem. Makre: US Ne 3 yellow/French Imnahipmant east coast Jan 141.50. Barley: English feed feb Fab 118, Mar 118. April/June 122 sellers. Best unquoted.

Cusiness dens—Wheat Jan 114.65-4.25, Mar 117.45-7.05, May 120.65-0.10, July 122.95-2.55, Cept 99.75, Nav 103.00. Sales: 688 lets al 100 tonnas. Barley: Jan 112.85-2.65, Mar 113.50-3.30, May 117.80-7.75, Bapt and Irov untraded. Seles: 194 fors of 100 tonnes.

HGCA—Locational ex-form apot prices. Feed bariey: E Mids 111.10, N East 112.50. The UK monetary co-afficient for the week beginning Monday January 20 will be unchanged.

SUGAR

LONDON DAILY PRICE—Raw augar \$117.00 (281.50), down \$4.00 (down \$2.50) a tonne far Jenuary-February dalivery. White augar \$158.50, down \$2.00.

8 per tonne Salas: 1,373 (1,924) lets al 50 Balas: 1,373 (1,524) lets al 50 tonnes.

Teta and Lyle dalivery price for granulated basia auger was £183.00 (£185.50) a tanne for export.

International Sugar Agreement—(US cents per pound tob ane atowed Caribbean ports). Prices ler January 14: Oally price 4.48 (4.73): 15-day average 4.80 (4.55).

PARIS—(Fir per tonne): March 1223-1225, May 1257-1280, Aug 1312-1315, Oct 1377-1358, Oce 1370-1381, March 1438-1450.

SOYABEAN MEAL

Yesterday + or, Business close - Done C per tonne + 1.49 155.5 Apr. - 186.5 156.6 + 1.49 155.5 464.0 June - 186.5 157.0 + 0.15 156.5 464.0 June - 186.5 157.0 + 0.15 156.5 464.0 June - 186.5 157.0 + 0.96 155.5 129.6 October - 151.5 152.0 + 0.96 155.5 129.6 October - 151.5 152.0 + 0.96 155.5 129.5 Feb. - 151.5 152.0 155.0 152.5 150.5 Feb. - 152.0 155.0 152.0 153.5 150.5 Feb. - 152.0 155.0 155.0 152.0 150.0 15

February 2 arent Tredad a few times as low as \$23.20 but recovered to trace et \$23.35. Merch Brent was discounted a dellar, and April a luttler 80c. Forcado; aciliers were locking ter a dellar over 2 rent prices. Saudi Arabian crudes ware not trading apot. Nymex WTI opened 20c up for February and gained a turtler 7c by 1.30 pm EST. An upturn in futures gave a boost to gae ail with nephthe prices also wiked up in thin trade. Fuel weakened on good aupply and little buying Interest—Patroleum Argus, Londan.

SPOT PRICES Latest + or

Petroleum Argos estimates GAS OIL FUTURES

Tumovar: 2,373 (4,542) lets af 100

tonnes. 100 (CRUDS OIL FUTURES—Bran) 2 land Index. 3 a barrol. (Clase. changs. buanese dane): (ndex 23.10. -0.52; Feb 23.60-23.70. +0.27. 23.60-23.40; May 22.55-22 80. +0.30. 22.50; April 21.60-22.00; May 20.80-21.50; Juna 20.50-21.00. (33) Ima el 1.000 barrele. **POTATOES**

Yesterday's Previous Business clear I close cons

E per tonne
Feb 30.50 80.80 81,00.80.50
Apr 98.30 92.30 81,00.87.60
May 104.50 106.00 106.36-04.20
77.00 70.80 77.00 Selea: 618 (795) lota of 40 tonnea.

MARKETS

The markal apened en a cautioux note, with biakem uncertain whather the previous airons chort cleas would ancaurage further buying.

CURRENCIES, MONEY and CAPITAL MARKETS

Sterling gained 15 points to \$1,4415-1,4425, but feil to DM 3.55

from DM 3.5525; FFr 10.8950 from FFr 10.90; and SFr 3.0025

FOREIGN EXCHANGES

Talk of rate cuts hits dollar

Speculation shout lower interest rates pushed the deliar down on the fereign exchanges yesterday. The US currency retreated from a peak of DM 2.4750 to close at DM 2.4625 in London, compared with DM 2.4860 previously, after Mr Martin Bangemann, the West in London, compared with DM 2.4625 in London, compared with DM 2.4660 previously, after Mr Martin Bangemann, the West German economics minister, said that Mr James Baker, the US Treasury secretary, hopes in discuss, and if possible agree to a co-ordinated cut in interest rates, at a meeting of france

On Bank of England figures in renewed downward pressure.

Forward promiums and discounts apply to the U.S. dellar

tho dollar's index fell to 125.9

the dollar's index fell to 125.9 from 126.3.

The D-mark improved against trates, at a meeting of finance ministers from the Group of Five leading industrial nations, in London this weskend.

Mr Bangomann met Mr Baker in Washington on Monday, but the talks were privats and the US Treasury secretary would make no commont when approached yestorday.

Mr Bangemann's remarks were enough to send the dollar down quite sharply, however, shurtly after the currency bad shown little reaction to a rise of 0.2 per cent in Novomber US businoss inventories. This was in line with most forecasts, while the October rise was revised up to 0.6 per cent from 0.5 per cent.

Against ths dellar in 1985-88 is 1.4885 to 1.0825. Exchange rate index fall 0.7 to 78.0. It upened unchanged at 78.1, and after easing to 78.0 at 2 am remained group of Five meeting in London, while news that Mr Bangemann's remarks were equically against a weakening dollar, but showing e slightly weakar trend against Continued to undermine confidences in the pound remained norrous, as that of the Wastland affair continued to undermine confidences in the Source of concern. Spot oil the Market foars next month's meeting of ministers from tho organization of Potroleum Fr7.75675; SF7.20820 from Y202.80.

The D-mark improved against the dollar in 1985-88 is 1.4885 to 1.0825. Exchange rate index fall 0.7 to 78.0. It upened unchanged at 78.1, and after box 2.4750 or Treading. The dollar fall to take out now positions ahead of the weekend for upon for Five meeting in London, while news that Mr Bangemann said tho US was against to weakening dollar, but showing e slightly weakar trend against Continued to undermine confidences in the pound remained norrous, as that level throughout.

Storling traded within a fairly later trend against continued to undermine confidence in the pound remained norrous, as that of the pound remained norrous, as the dollar fairly form against a weakening of the pound remained norrous, as the dollar fairly found from the pound remained norrous as from 126.3.

DOLLAR SECT. FORWARD AGAINST BOLLAR

Jan 15	Day's spread	Close	One month	% p.s.	Three months	y. p.a.	Jan. 15	Sank of England	Morgan Guarants
UB	1,4345-1,4450	1,4415-1,4425	9.57-0.54c pm	4.61	1.66-1.61pm			Index	Changs 5
Canada	2.0211-2.0296	2.0211-2.0298	par-1c dis	-2.96	2.00-1.00pm		Sterling	78.0	-13.1
Nethind.	5.97%-4.00%	3.99-4.00	25-25c pm		74-84pm	6.96	U.B. dollar	125.9	+15.8
Balgiure	72.25-72.56	72.25-72.35	22-13c pm	2.00	54-42pm	2.66	Canadian dellar	80,2	-12.9
Denmurk		5.00%-9.01%	41-31-pre		123-114pm	3.62	Austrien schilling .	123.2	+6.4
reland	1.1545-1.1630	1.1575-1.1585	9.13pm-4cdi#		0.10-0.40dia	~9.86	Beigian franc	83.1	9.9
W. Ger.	3.53-3.554	3.54-3.55	23-23pi pra	3.45	74-7pm	8.03	Danish Kroner		9.4
Portugal	227.11-229.36	227.76-229.36	120-415¢ dis		377.5-1180p	-13.46	Doutschs mark		+12.1
Spain	220.94-221.45	220.98-221.28	35c pm-25c dis	-1.00	5pm-85dis	-9.81	Swiss frano	151.R	+11,9
uly	2,409-2,424	2,417-2,418	7-10lire dla		19-24dls	− 5.00	Gullder	121.5	+7.4
Norway	10.92%-19.95%	10.94-10.95	Spm-Sc dis		1- 1 -pm	0.22	Franch franc	70.8	~11.5
France	10.844-10.90	19.89-10.00	31,-21,c om		27 ₁ -1pm	9.69	Lire	45.4 176.1	-18.3
Sweden	19.953-19.993	10.96-10.99	hpm-hore die	-9.27	13-1pm	0,59	Yan	110,1	+ 26.8
ingen .	2905-2924	2914-2924	14-14y pm	5.00	4 ³ —4 ³ -pm	5.00	Morgan Gunanty	changes	
Austria	24.98-26.01	24,98-26.01	103-93 gra pm	4.00	40%-37%pm	6.22			
Switz.	2.984-3.004	2.994-3.004	2'-2'-c pm	8.01	6'-6'-pm	8.50	1980-1982=100, Ba	nk of Engl	and Index

Belgian rels re for convertible trance. Financial Iranc 73-40-73.50. Six-reonth lorward dollar 3.18-5.13c pm. 12-month 5.70-5.55c pm. DOLLAR SPOT-FORWARD AGAINST DOLLAR

Jan 15	Dey's	Closs	One month	% p.a.	Three months	%.e.q
Ükt	1.4345-1.4450	1,4415-1,4425	9.57-0.54c pm		1.66-1.91pm	
Irelandt	1.2401-1.2485	1.2415-1.2430	9.60-0.45c pm		1,80-1,45pm	
Canada	1.4040-1.4096	1.4045-1.4066	9.22-0.26c dis	-2.00	0.63-0.68dis	-1.8
Nothing.	2,7630-2,7880	2.7705-2.7715	9.61-0.58c pm	2.59	1.66-1.63pm	2.3
	50.15-50.50	50.10-50.20	7-9c dis	1.90	25-28dis	-2.1
Belgrum	2,4520-2,4763	8.003-9.914	par-0.70ore dis	-9.47	9.65-1.35dis	-9.4
Denmark		2,4620-2,4630	9.79-0.74c pm		2.14-2.09pm	3.4
W. Ger.	2,4520-2.4750		150-350e dis			-18.3
Portugal	167%-158%	157'4-158'4	46-70c dis		785-235dls	-5.4
Spein	163.20-154.05	153.55-153.65			357-36dts	-8.4
ltoly	1,674-1,68612	1,676-1,677	12-13ttra dis		8.55-8.96die	-4.6
Norway	7.574-7.614	7,58%-7.59%	3.05-3.45c dis			-4.3
Frence	7.53-7.584	7.554-7.554	7-1.30c dis		7.76-8.50dis	
Swodan	7.003-7.64	7.611-7.62	3.10-3.60ore dis		8-8-40dla	-4.30
Jopen	202.10-202.75	202.30-202.40	0.22-0.19y pm		0.70-0,56pm	1.3
Austria	17.30-17.38	17,321-17.3312	2.70-Z.10gra pm		7.76-6.75pm	1.6
Country	2 0750-2 0900	2 0815-2 0826	9.76-0.71c pm	4.23	2.10-2.05pm	3.9

† UK and Ireland are quoted in US currency. Forward premiume and discounts apply to the US dollar and not to the individual carrency. Beigian rate is for convertible france. Financial franc 50.50-51.00.

EXCHANGE CROSS RATES

Jan 15	E		DM	YEN	F Fr.	S Fr.	HFL	Lira	C#	B Fr.
£		L448	5.550 2.462	201,8 202,5	10.90 7.556	3.003 0.082	3,995 3,770	2413. 1576.	2.026 1.405	79,50 50,14
DM	9.989	0.406	12.17	82.16 1000.	5.060 57.34	0.846 19.29	1,125 13,69	681,0 8286,	0.871 5.942	99,57 247,8
F Fr.	0.910	1.35 4 9.460	a 268 1,189	267.8 97.17	19. 5,689	2,756 1.	5,667 1,331	2219. 805.2	1,858 0,675	86,36 24,08
H FI.	9.650 D.414	9.561 0.585	9,888 1,468	73.03 120.7	8.787 4.597	9.732 1,240	1.653	505,1 1000.	9.507 9,838	18,19 29,01
C	1 893	9,719	4.819	403.5	5.579 13.07	4,100	0.020	3344.	2.601	35.70 100.
Yen pe	1,000:	Franch	fe per 1	D: Lire	per 1,00	O: Belg	Fr por	100.		

EURO-CURRENCY INTEREST RATES

Jan. 14	Short	7 Days notice	Month	Months	Months	Year
Sterling	8 / 8 / 8 / 8 / 8 / 8 / 8 / 8 / 8 / 8 /	12 12 4 81 8 14 91c 8 54 51c 8 3q 214 2 1c 4 74 4 5 9 9 1 5 14 5 4 15 14	1211-1812 515-514 934-19 556-856 4-416 934-10 1512-1732	1018-13 Bit-8it- 8it-10it 05:554 4it-4it 18i4 19iz 15i4-17iq	1276-15 0,5-8-5 9i2-10-6 558-534 4-5-4-5 459-4-5 19-6-19-5 1556-15-15	1278-15 84-858 941-104 241-104 241-54 441-44 113-1178 154-19
B.Fr.(Fin) 8r.Fr:(Con) Yen D. Krone Asian # (Sns)	91, 91g 914 846 572 7 916 818	856-818 91g-954 7718 814-654 814-654	83 ₄ -19 10-19 ¹ 2 5 is 7 ₁ k 8 is 8 is 8 is 8 is	934-19 19 1012 334-078 834-914 834-832	91 ₂ -84 ₄ 97 ₆ -195 ₆ 076-67 ₆ 9-91 ₂ 8-1-8-1	914-918 918-19 512-658 9-012 516-818

Long-term Euradollars: two years 83-9 per cent; three years 9-9- per cent lour years 9-9-1 per cent had years 93-9- per cent nominel, Short-term rates are call for US dokars and Japanese yen; others two days' notice.

FINANCIAL **FUTURES**

recovery

from FFT 10.90; and SFT 3.0025 from SFT 3.01, and was unchanged at Y291.75. D-MARK — Trading range against the deliar in 1285-86 is 3.4510 to 2.4375. December average 2.5120. Exchange rate index 131.6 against 124.0 six months are. Prices recovered from the day's lows in the London Interday's lows in the London Inter-national Financiel Futures Exchange yosterday on sug-gestions that interest rates would fall. This followed commants made by Mr Martin Bangemann, West Garman economics minister which included ideas that major months ago.

The D-mark improved against which included ideas that major nations should all reduce their interest rates. This prompted a strong domand for all contracts during the afternoon although profit taking and some second thoughts on the full text of his statement left values some way below the day's highs.

below the day's highs.

However, some long positions may be built up ahead of the weekend inst in case there is some concerted move to lewer rates at this weekend's meeting of the group of five finance ministers. Three-month sterling deposits for March dativary opened at 87.03 and fell quite sharply on early selling to e low of 86.78 before consolidating around 86.85 for much of the morning. Prices bad nudged 86.90 before the Bangemann announcement and then rose sharply to a high of 87.30. It closed after some late adjustment for profit taking at 87.10, little changed from 87.11 on Tuesday.

CURRENCY MOVEMENTS Euro-dollars for March delivery opened at 91.88 and improved gradually to 91.91 before drifting back to 91.85. However thore was renewed buying interest at this levol and upward momentum accelerated during the afternoon so that the nrice touched a high of 92.08 before finishing at 91.97 up from 91.82 on Tuesday.

> Bond prices acted in much the same way and suggestions that the market still retained some underlying bullishness attained respectability in view of the pace sterday afternoon's rise.

CURRENCY FUTURES

June 9.4131
Estimated volume 75 (36)
Previous day's open int -- (211)

9.00 am 10.00 am

STERLING INDEX

Jan 14 Previous

78.3 78.4 78.3 78.0 78.1 78.2

78.1 78.1

Jan. 15		Special Drawing Rights	European Currency Unit	POUND	-S (FO	REIGN E	XCHANC	E
		RUGITUS	Ont	Spot	1-mth.	3-mth.	6-mth.	12-mth.
Starling	71.	0,760206	0.615502	1,4420	1.4365	1.4257	1.4105	
Canadian 3	. 10.21		1,24570	IMM-	STERLING	3 Se per	2	
Austria Sch		18,9719			Latest	High	Low	Prev
Belgian Fr.		N/A_	44,5079		1.4315	1,4265	1.4350	1.4265
. Danish Kr		8.87959		Merch	1,4150	1.4105	1.4180	1.4105
9'mark		2,89980		June	1,4040	1,3990	1,4060	1,3996
Guilder		3.03935		Sopt		1.3885	1,3940	7,3885
French Fr.			6,70124	Dec	1.3940	123002	1"3040	3"3093
Lira	. 1512		1489.85	-	Annual Con-	C POE NO		P*
Yen	8	8.32029	179,305 5,73001	THIF	STERLIN	سرص ہ	C 2 Del	
Morway Kr.		168.541	136.157		Close	High	Low	Prev
Span'n Pta. Swedish K.				March	1,4320	1,4280	1.4265	1.4290
Swiss Fr.		2,28209		June	1.4155	_	~	1,4130
Greek Or'ot		NIA	132,596	Sept	1.4015	-	-	1,4000
Irish Punt		0.87 3557	0.711891	Estimat	ed volum	# 45 (6	333	
High Chica	<u>''</u>	10.077001		Previou	E day's	open int	- (2,0	95)
* C\$/SOR	rate for	Jonuary 1	4: 1.53196.	TICKE.	DEUTSC	HE MAR	rs -	
		-		OM 125	000 \$ p	M DM		
					Close	High	Low	Stan
OTHER	CUI	THE NU		March	0,4095	0.4084	Q.4075	0.4068
				June	9.4731			0,4104

OTHER CURRENCIES

(bose systems 1975=100).

CURRENCY RATES

Pull. 20	_	-
A (4/A	1 1519 1 7538	0,8000-0,6010
Arg unam	2,0705-8,0745	1 4405 1 1419
Vhd. Brig.	15,994-16,082	1,1100-1,111
Brazil	10,984-16,000	11,113.11,117
Finiand	7.8166-7.8262	D'490ri 2'49Ari
Dreece	214.19-215.06	148,50-150,00
H'kong	11,2624 11,2550	7,8050-7,8079
iran	128.45°	84,30*
Kuwalt -	D.4166-0.4176	84,30° 0,28972-0,28987
Lux'burn	72.25 72.35	50.10-50.20
Maleyas	3 5200-3 5250	2,4460-2,4489
NUTTION OF	2 8180.9 B280	1.8588-1,9646
M. T. Idild	6 2505 X 9850	8,6813 5.6517
PAROLAI.	3 OFFE 3 DEGE	2,1250 8,1879
Sin Dote	3.0070-3.0020	D TYCA O TABA
S,A1.(Cm)	3.3547-0.3007	8.3364 8.3474
3.A1. (FIL).	4.0200 4.40UX	3,0075-3,1007
U.A.E	5,2819 5,2665	5.6725-3,5735
	e Sallina re	to.

78.0 78.0 78.0 78.0 78.0 78.0 78.0 78.0 1.00 pm 2.00 pm 3.00 pm 4.00 pm EN

MS EURO	PEAN	CURRENCY UNIT HATES								
****	Ecu contrai rates	Currency amounts against Ecu January 15	% change from central rate	% change adjusted for divergence	Divergence					
lan Frenc	44.8320	44,6070	-9.50	+1.05	±1.5425					
leb Krone	8.12857	7.98129	-1.61	-9.20	±1.6421					
man D-reark	2.23840	2.18432	-2.42	-0.87	土1.1455					
nch Frenc	8.86402	2.70124	2.37	-5.82	±1.3654					
ch Gulldar	2.52208	2.45815	-2.49	-0.94	±1.5162					
	9.72-3/8	9.771891	-1.75	-0.20	±1.6673					
n Punt	1520.50	1489.85	-2.02	-1.35	±4.0856					

Currency Swings: Cutting Your Risks

If you make payment in a currency other than your own, you fear the potential rise in its cost between now and payment time. If you *receive* payment in such currency, you fear a fall in its value between now and receipt time.

Through interbank and other counterbalancing transactions, we can relieve you of your concern. Phone or telex.



8% \$100,000 32nds of 700%

High Low 83-18 82-15

Closs 83-03 81-30

Previous day's open int

US TREASURY BONDS (CBT) 8% \$100,000 32mds of 100%

March 79-11 79-21 78-1 June 78-20 78-24 78-0 Dec 77-18 77-30 77-4 March 77-04 77-16 76-1 June US TREASURY BILLS (IMBR) 51re points of 100%

Feb Mar Apr June Sept
- 9.00 - 9.13 - 9.81 - 9.41 - 9.07 - 1.06 2.20
9.05 0.40 9.91 2.24 3.83
0.57 1.49 2.36 4.18 5.10
2.91 3.85 4.87 6.92 9.00

Futs—Last
Feb Mar Apr June Sept
— 9.15 — 9.26 —
— 9.25 — 9.40 1.30
— 9.35 — 1.20 2.60
9.25 9.50 1.30 2.50 4.20
1.05 1.96 2.80 4.40 8.20
3.50 4.60 5.60 7.15 2.10
7,40 8.40 8.00 10.50 12.40

CHICAGO

20-YEAR 12% NOTIONAL GILT 550,000 32nds of 100%

10% NOTIONAL SHORT GILT £100,006 64ths of 100%

THREE MONTH STERLING £500,000 points of 100%

FT-SE 100 INDEX £25 per full index point

THREE-MONTH EURODOLLAR 51m points of 150%

LIFFE-EUROPOLLAR OPTIONS

LIFFE E/S OPTIONS 625,000 (cents per £1)

LONDON SE E/S DPTIONS

PHILADELPHIA SE E/S OPTIONS £12,500 (cents per £1)

1.26 1.26 1.30 1.36 1.46 1.45 1.50 Previous Volume,

 Strike
 Calls—Last

 prica
 Feb
 Mar
 Apr
 June
 Sept

 1.15
 29.23
 —
 24.23
 —

 1.26
 19.23
 —
 24.23
 —

 1.35
 9.23
 19.23
 —
 14.23
 14.23

 1.40
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Close High Low Prev
March 108-14 108-22 107-07 107-22
June 108-30 — -- 108-06
Sept 109-08 — -- 108-15
Estimated volume 5.119 (7.653)
Previous day's open int -- (5.266)
Basis quote (close cash price of 13*2*
Tressury 2004-08 less equivalent price of near futures contract) -- 4 to +5
(32nds)

Closo High Low Prev March 94-37 94-45 94-04 94-13 June 95-03 — 94-49 Estimated volume 828 (1,033) Previous day's open int — (1,394)

Worldollar Corp. 488 Seventh Ave. New York 10018 (212) 947-8297 Telex 269356

Contracts and Tenders

GOVERNMENT OF INDIA AIR HEADQUARTERS, INDIAN AIR FORCE TENDER NOTICE

On behalf of the President of India, Director of Purchase, Air Headquarters, IAF invites scaled tenders on our prescribed forms from original manufacturers/authorised atockists/suppliars with record of previous supplies to Government Departments for supply of following stores on FOB basis:—

Sl. No. Tender Enquiry No. Short description of items



Hunter Air Framn Spares

Canberra Rotables Aircraft Electrical Spares Aven Engins Accessories Aircraft Oils and Greases A 21 Flore Smoke

Tendor documents can be bad from the office of the Director of Purchase, Air Hessiquariers, Vsyu Bhavan, New Deibi 110011 (Telex No. 31-65622) on paymant of £10 by Damand Bank Draft payable to "CDA HQ NEW DELH1" on State Bank of India, New Delhi. Tender will be opened at 14.00 hours on 6 March 1986 in the presence of tenderers who strend.

CORRESPONDENCE/COMMUNICATION will be with this effect in India directly and couries will not be optionated. office in India directly and quories will not be ontortained by Indian High Commission Office In London.

Legal Notices

No. 007859 of 1985
IN THE HIGH COURT OF JUSTICE
CHANCERY SIVISION
IN THE MATTER OF
MERCANTILE HOUSE HOLDINGS
public limited company
AND IN THE MATTER OF
THE COMPANIES ACT 1985

THE COMPANIES ACT 1985

NOTICE IS HEREBY GIVEN that the Drifer of the High Caurt of Justice. Chancery 9:vision, deted the 19th December 1985 confirming the cancellation of the Share Premium Account of the Company was registered by the Register of Corepanies on 2nd January 1986.

Dated this 13th day of January 1986.

CUFFORD-TURNER Blacktriers House.

79 New Bridgs Street
London EC4V 6BY
Solicitors to the Company



With effect from 1st January 1986 Nordic Bank PLC changed its name to Den norske Creditbank PLC

Den norske Creditbank PLC

20 St Dunstan's Hill, London EC3R 8HY Telephone: 01-621 1111 Telex: 887654, Telefax: 01-626 7400 Gp3 Cables: Dennorske London

MONEY MARKETS UK rates easier but still very nervous

Interest rates were a little easier yestarday but the markat remained unconvinced of that sutbortities ability to avert further upward pressure. Period rates from one month out to one year were virtually flat, undorlying the market's lack of direction. With the market still showing some signs of shall shock, it undorlying the market's lack of direction. With the market still showing some signs of shall shock, it undorlying the market's lack of direction. With the market still showing some signs of shall shock, it undorlying the market's lack of direction. With the market still showing some signs of shall shock, it undorlying the market's lack of direction. With the market still showed in general still showed in the market still showed in the market still showed in the more part of standard shock, it undorlying the market still showed in the same larger than the same larger than the same assistance in the morming shows target. The shortage was target. The shortage was revised to £450m and the Bank gave assistance in the morming above target. The shortage was target. The shortage was revised to £450m and the Bank gave assistance in the morming of £136m. This comprised outright purchases of £64m of alligible bank bills in band 2 at 112th per cent. Short term rates tended to firm a little hower in rasponse to a large upward revision in the day's projected shortage. Overnight funds spened at 111-112 per cent and cased initially the p

MONEY RATES

Jan. 13	Oy'r nig't	One Month		Montha		in'v'ntion
Franklurt Parls	4,58 4,60 8% 7A 1kg 514 63 7,03123 1456 10	4,654,50 5,2 8,1 4,6 4,7 5,4-5,2 7,15635 154-153	=	4.604.75 9.94 4.14 5.45 7.09573 143-133 81; 519 1119-1819	=	! =

The forecast was revised once again, before taking into account the early bolp, to a shortage of around \$500m and the Bank gave additional assistance in the afternoon of £291m. This comprised outright purchases of £17m of local authority bills in band 1 at 12½ per cent and in band 2 £3m of local anthority bills and £188m of local anthority bills and £188m of eligible bank bills all st 12½ per cent. In band 3 it bought £23m of eligible bank bills at

121 per cent and in band 4 £4m of local anthority bills and £56m of eligible bank bills at 124 per cent. Lata assistance came to £35m, making a total of £462m. In Frankfurt call maney was unchanged at £55£60 per c*9r in quiat trading. DM 11.1bn flowed into the money market, representing the latest 29 day sals and repurchase agreement. sals and repurchase agreement.

It was more than offset by a
maturing facility of DM 11.7bn

Six reanths U.S. dollars

FT LONDON INTERBANK FIXING

Three months	U.S. dollers	bld 8 1/8	offer 9 1/4
bld 8 1/8	offer B 1/4	five reference bank	s. St. 11 a.m. 4m
The fixing retes in passes, reacted to eleterath, of the bid for \$10m quoted	eno stanean ant c	working day. The Westminster Bank. Deutachs Bank, Ba Parls sed Morgan (banks ara Nation Sask of Toky agus Nationala d
LONDON MC	NEY RATES		

(11,00 a.m. Jan. 15)

Jan. 14	Over night	7 days notice	Month	Three Months	Sb: Months	Year
Interbank	10-15 104-11 10-121:	1138-1178	19 4-184	194 154 124	1078-1518 1259-1278 1234 1234	127g-13 125g-127g 125g 1314
Company Depos Finance Has Depos Treasury Sills (Buy)	1916-11	1119-1154	15 125 125 126 127 124	151 ₈ 13 121 ₄ 121 ₂	13	=
Benk Bills (Buy) Fine Trade Bills (Buy) Dotter CDS SOR Linked Depos EGU Nepos	Ξ	i	181 8.05 6.10 7-1 8-1	131 8.05 8.10 814-812	1278	8.35-8.40 814-812 0:6-9:7

Treasury Bills (sell): one-month 12½ per cent: three-months 12½ per cent. Senk Sills (sell): one-month 12½-12½ per cent: three-months 12½-12½ per cent. Treasury Sills: Average tender rate at discount 12,1923 per cent. ECG9 Fixed finence Schema IV reference state Secamber 4 to January 7 (inclusive): 11 838 per cent. Local authority and Finance Houses saven days' notice, others saven days' fixed. Finance Houses Base Rate 12 per cent from January 1 1965. Sank Deposits Rates for sums at seven days' notice 5-46 per cent. Certificates of 7½ Deposits (Series 8]. Deposits £100,000 and over held under one month 12 per cent; one-three reonths 12½ per cent; three-six months 12½ per cent; sine-nine months 12½ per cent; nine-12 months 12½ per cent; profer £100,000 11% per cent from January 14, Osposits hald ander Series 5 11½ per cent. Deposits withdrawn for cash 7½ per cent.

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Financial Times Thursday January 16 1986

Financial Times Thursday January 16 1986	PROPERTY—Continued INVESTMENT	TRUSTS—Cont. FINANCE, LAI	35 IB—Cont. MINES—Continued
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Burst of interest rate optimism brings strong close

Economic Minister had sald that the US Treasury Secretary wants 55 to agree a co-ordinated interest rate cut aest a burst of optimism through London markets shortly after the official 3.30 pm closs yesterday. Share and bood prices surged higher and the FT Ordinary share index sharply extended a 3 pm gain of around 8 points to close a set 15.3 up st 1109.6. The FT-SE 100 share index rose 20.4 to 1390.5. Interest rates had earlier continued to dictate the trend as

remained rather moderate, affected by the continued absence of worthwhile institutional inquiries, but leading shares still mode progress on light demand from smaller investors. Political considerations associated with the escalating Westland affair also tended to put a damper on investment incentive.

The late upsurge was led by Store issues and gains in the sector finally ranged well into double-figure amounts. Few blus chip stocks settled lower but Plessey were the exception; fears that the GEC bid could meet with 9 referral to the Monopolles Commission brought Plessey down 4 to 164p, after 180p.

15 33sp.

Leading Buildings gave 9 steading brildings gave 9 steading brildings gave 9 steading brildings gave 9 steading Buildings gave 9 steading brildings gave 9 steading Buildings gave 9 steading brildings gave 10 steading brildings gave 10 steading brildings gave 10 steading brildings gav

with a referral to the Monopolles Commission brought Plessey down 4 to 184p, after 160p. Government bonds also res-

FINANCIAL TIMES STOCK INDICES Jan. Jan. Jan. Jan. Jan. Jan. year 15 14 15 19 2 8 800 86.64 86.70 87.42 87.57 87.65 87.95 84.05 1109.6 1094.3 1108.8 1119.8 1106.1 1123.8 981.3 Equity turnover £m. - 520,14 375,47 483,52 670,16 667,47 674,51 Equity bargains...... - 21,862 22,869 94,615 94,121 93,031 23,842 Shares traded (m)... - : 248.5 202.1: 244.7 272.2 245.8, 668.3 3 pm 1100.8, 4 pm 1100.1. Day's High 1108.6. 9sy's Low 1065.5, Besis 100 Government Securities 15/10/28. Fixed Interest 1928. Ordinary 1/7/35. Gold Mines 12/9/55. BE Activity 1974. Lutest Index 11-248 8008 PMILE 10 04

	HIGHS A	SE. A	CTIVI	ry			
	128	5/86	Since Co	mpllat'n	INOICES	4ал. 14	Jan -
	Nigh	Low	High	Low	Daily tilt Edged		
Govt. Secs.	84.57 (16/10/25)	75,09	127.4	49.18	Bargaina		139.e
Fixed Int	29,98	82.17	150,4		Bargains Value 6 dayAverage		175.4
Ordinary	(5/1/86)	011.0 (5/12/65)	1149,6	28/6/4D	Gilt Edged Bargains Equities	145.4	141,2
Gold Mines		017.6 (5/17/66)	784.7	43.5	Bargeins	150.5	184.4

with Grattan and Freemans up pence better 3t 305p. Elsewhere, 10 splece to the common level of 328p, and Empire 6 higher in sympathy with the move in at 148p. Fresh takeover speculation stimulated interest in NSS hower's visit to the company Newsagents finally 14 dearer at 180p.

with a referral to the Monopolles Commission brought Pleasey down 4 to 184p, after 160p.
Government bonds also responded sharply in the after-hours' dealings and selected high-coupon loops closed with rises extending to nearly a point.

Speculative counter British rises extending to nearly a point.

Business earlier had been e pale shadow of Tuesday's heavy volume with prices easier at the opening before firming as fears of higher interest rates receded. Switching operations which were the chief feature of the previous session's trade tended to fade. Index linked stocks went higher with conventional Gits and ended 2 up in places.

Insurances returned to favour.

Howard featured with a rise of 18 at 250p after comment on the annual results, while Sin Like sized by a trace of the previous earlier of the previous ession's trade tended to fade.

Index linked stocks went higher with conventional Gits and ended 2 up in places.

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In the house of the previous ession and the house of the previous ession's trade tended to fade.

Index linked stocks went higher with conventional Gits and ended 2 up in places.

Insurances returned to favour.

Howard featured with a rise of 18 at 250p after comment on the annual results, while Sin Like sized the conventional Gits and the same of the previous earlier of the previous earlier of the previous earlier of the previous essential the province of the previous essential the fact of the previous essential trade of the previous es

120p pending an amouncement; the shares have risen 6 this week amid "call" option activity. Properties, under pressure recently on dearer money fears, staged a useful rally. Land

Staveley advanced 12 to 360p in sympathy with the move in a GKN. Favourable reports of a shroker's visit to the company teleft Tomkinsons 14 higher at 162p. APV came to life with a gain of 20 to 265p in a limited market, while speculative demand accompanied by talk of a large contract left Whessoe 4 higher of 92p, after 94p. Howden at Group closed a shade easier at 94p following uninspiring interim figures. Westland eased where the speculative gained 14 at 504p and Hammer-son A rose 10 to 440p. Property Handling and Isvestment thandened 2 to 113p following acquisition news. A broker's circular boosted Markheath Securities 3 to 55p. County Properties added 2; to 134p in reply to the constant results. We operations would make a loss in 1985, staged 2 rally to close in 1985, staged 3 rally to close in 1985, staged 2 rally to close in 1985, staged 3 rally to close in 1985, staged 4 rally to close in 1985, staged 5 rally to close in 1985, staged 6 rally to close in 1985, staged 6 rally to close in 1985, staged 7 rally to close in 1985, staged 8 rally to close in 1985, staged 8

Trusthouse Forte touched 156p immediately following the annual results, but drifted off the close unchanged at 152p.
Grand Metropolitan improved steadily to close 11 higher at the day's best of 3760. Byan Hetels firmed 2 to 24p in reply to good figures.

Bevan.

Tobaccos also made progress. Imps opened higher and touched 251p before settling 8 up on balance 91 250p ewalting developments in the current bid situation. Bais, still encouraged by day's best of 3760. Byan Hetels firmed 2 to 24p in reply to good figures.

Oils move ahead

trials recorded several noteworthy movements but overall improvements were usually ilmited to a few pence. Trailing recorded smartly to close 13 higher and smartly to close 15 higher a 13 higher at 331p following the revelation at the annual meeting

better of 20% and LASMO adged up 3 to 155p. Takeover inopes become for the cross channel fixed link. Metal Sex contineed to attract brunes and purt os 15 to 555p.

The super and super a super and super 1860 and Nerth Kalgurii 5 to

ITAGEN OPTIONS
Imperial Group featured proceedings in Traded Ootions, attracting 2,818 calls, 1,801 of which were transacted in the February 240's, reflecting support for the underlying share price awaiting further developments in the current takeover situations. Joterest revived in Vaal Reefs, which recorded 820 calls, 246 in the May 80's, and calls, 246 in the May 80's, and 127 puts; the final dividend: suncuncement is expected to-day. Total costracts struck amounted to 12,518.

NEW HIGHS AND

buoyed by Press comment, rose
18 for a two-day gain of 30 to
258p. Illingworth Morris
hardened the turn to 89p fellowing a "buy" recommendation
from brokers de Zoete and
Reven, Santa SPD, Wardle Story,
LLCTRICALS (2) Back Bade Spory.

**ELECTRICALS (2) Beth Radio Spory.

**ELECTRICALS (2) Beth Radio Spory.

RECENT ISSUES

Price		Ronung.	19	85/6	stock	Closing	+ or		Times	Dige:	Į.
	15 5		Nigh	Low		 -	لية				
180	E.P.	15/1	250 196	125 174	Abbott Mesd Vickers. Ashley (Lauro) 5p	215 · 176 ·	- 5 ;	5g2.8	3.1	1.6	걆
135 587	1000	9/1	319	285	Karla & Wireless 200.	285	—5 ì	F9.5	2.9	4.8	6
163	F.P.	2811	79	65	LEChancery Scoutt USA	99		bg 2,2	2.5	4.5	11
185		23/1 10/1	88	85	Archart Foulks Lynan	80	_s '	D05.0	1.5	20	3
190	E.C.	24/1	130	180	Chetwynd Streets 5p.		ı	50.5,32	2.9	7.0	'n
195	F	17/1 8/1	166	27	County St.	75 !	2 /	bg0.7	9,6	1.3	18
1128	F.P.	10/1	135	1120	A Distance	135 .		4.9	2.5	5.5	
166	F.P.	10/1 51/1	55	5912	Granyte Surface 10p	90 !		62.1 12.35	2.0	4.5	π
£75	iF.Ρ.	_	175	100	inti, Bus, Comms 10p- inti.inv. Tet. J'rey wis	148 '		12.50			
_	F.P.			1100	HEIGHTIN. 15C. 5 155 W.C.	067 .			0 7		_
100	E.P.	13:1	270	170	Jacques Vert 10p	701 I		5.6pd	10	â.	ï
115	F.P.	19/1 7/2	126	1110	il evicene IDC. \$0.91	110 .	+1 .	105.48	3.9	2.0	1
113	F.P.	61/1	127	12B	Morivale Moore 5p	124	1	P8.5.	4.0	20	12
1150	F.P.	20/15	170	165	-Millward Brown	170 j		bg2.5	8,5	2,1.	1
222	F.P.		8.5	(35	A-Monks & Crane 100	63 ;	+1 [503.7 503.0	3.7	**	11
490	E.P.	22/1	104	22	-Norank Systems 3p	116				7.2	분
100	F.P.	14.0	112	106	SAG Intri. 10p	23		أخطون	12.6	0.0	7
	F.P.	10:1	100	27	-Snowdon & Sridge.	27 !	t	uo55	2.0	4.1	ıī
167		5/1	74	65	i-FSteriinoPublish '950'		4) I	62.0	1.94	7.0.	77
5	F.P.	-	319	277.	Storehouse 10p	500 .·	+ 17	u5.7	2.0	2,7.	15
	F.P.			167	*Tech. Compt. Inds *WYorks.ind.Hos.50p	220	+2 K	64.0		1.9	럞

FEXED INTEREST STOCKS

Issue price	d up	nuno.	196	5/6	Stock	Osing fee &	+or
	₹ 6.	75	High	Low		, ō ā	ᆫ
27,203 198,797 199,745 £12* — 199,513 122,706	F.P.	11/4	2456 101 9816 2416 1124 p 9917 9917 4034	95 24 87 98,1 98,1	Allied Lon. Props. 1823 istMort. Deb. 1935 1974. Assets 62 Una. Ln. 1935. 1974. Assets 62 Una. Ln. 1935. 1974. Assets 62 Una. Ln. 1935. 1974. Soc. 1975. 1975. 1975. Incl. Inv. Tst. Jersey 152 Cum. Red. Pf 1975. Nationwide Bidg. Soc. 1172 1571266 1975. 1975	101 961 ₂ 24 90p 98-1	+4

RIGHTS OFFERS

leeve		Latest Renung.	198	5/6	Stock	eing 00	+ 01
price	4	data	High	Low		00 g	-
110 100 R 8.50 32 240 16 120 260 475 366 156 156 200 70 69	F.P. MIS MIS MIS MIS MIS F.P. MIS MIS MIS MIS MIS MIS MIS MIS MIS MIS	26/2 21/2 21/2 21/2 12/2 15/2 51/1 51/1 51	121 23pm 130pm 23pm 40pm 3pm 133 294 650 172 51spm 14pm 44pm	1700 1700 2700 100 286 610 3500 161 300 2400 1000	Barham Group 21sp	111 23pm 190pm 21pm 25pm 100 292 535 40pm 164 3pm 36pm 36pm	# + in in in

Renunciation date usually last day for dealing free of stemp duty. 5 Figures based on prospectus asticates. 2 Assumed dividend and yield. Forecast dividend cover on earsings appleted by latest interim atstament. H Dividend and Yield based on prospectus or official estimates 10 1986. s Intilicated dividends: cover relates to previous dividend; p/s ratio based on latest annual earnings. a Forecast otherwise indicated. I leaved by tender. § Offered holders of ordinary abstes as a "rights." "a feased by way of Capitalisation. § Placing price. §§ Reintroduced. It leaved in connection with reorganization merger or takeover. B Allotment price. It Coalt is under Rule 535 (3). • Dealt in under Rule 536 (4) (s). • Units comprising 12 preference shares and one warrant, at £12 per unit. It Units comprising two ordinary, one preference and one warrant.

TRADITIONAL OPTIONS

First Last Last For Deal- Deal- Declara- Settle
Youngs Brewery "A." A put was taken out in CAP Group, while a double option was transported in Enterprise Oil. First Last Last For while a double option was transported in Enterprise Oil.

Ings ings tion mentJan 6 Jan 17 Apr 10 Apr 21
Jan 20 Jan 31 Apr 24 May 6
Feb 3 Feb 14 May 8 May 19
Feb 3 Feb 14 May 8 May 19
Feb 3 Feb 14 May 8 May 19

For rate indications see end of YESTERDAY
Unit Trust Service Stocks favoured for the call included Sears, Combined Technologies, Ashley Industrial Trust, Burndene Investments, Lonrbo, Bula, STC, Asset Special Situation Warrants, Egibston, Amstrad Iasmo, Atlantic Resources. Westland, Turner and Newall, Energy Capital, Fergabrook, Dixons, Wordplex, Midland Bank and Totals Section 1996

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	& SUB-					W	ed Jan	15 1	986		Your Jan 14	- Mon	. Fri.	(approx ago Acan
F	igures in parent stocks	heses sho per sectio		1	ndex Na.	Day's Champe	Est. Earning Yield % (Mage.)	Gross Div. Yachi % (ACT at 30%)	Est. P/E Ratio (Net)	17906 to date	Inde:	Index No.	index No.	trades
1	CAPITAL GOO	HOS (214)		5	57.90		10,11		12.40				577.36	558.5
23	Building Mater Contracting, Co	rais (29) Instructio	n (28)		17.54 21.25		30,73 10,43	4.40	12.38					
4	Electricals (13)		15	411		9.46		13.77	,	920.8		932.22	
5	Electronics (39	n		14	20.70		10.52	3.21	12.45	6.00			1454.80	
6	Mechanical En Metals and Me	gineering	(63)	(35	21.72		10.00	4.54	11.78		319.4	0 323.3		284
ĕ	Motors (18)	New LALLIAN	· · · · · · · · · · · · · · · · · · ·	21	52.10 10.70		8.74 11.96	4.35	13.96	6.00				
Ó	Other Industria	Materia	ls (22)	9	7.28	+83	7.65	3.59	15.54				210.69	152
ŭ	CONSUMER	ROUP (1	83)	74	13.84		8.84	3.47	14.21	0.37				
22	Brewers and Di Food Manufact	Stillers (2	3)	77	7.14		9.72	3.77	13.22	9.05		5 773.	782.21	
8	Food Retailing	(14)	·		5.18 12.14		10.79	4.55 2.70	11.98	0.96				
7	Health and How	schold Pr	oducts (9		2.27	+0.6	6.46	277	18.17	2.92	1175 4	111145	11723.22	100
9	Leisure (25) Publishing & Pr			74	7.19	-0.1	7.47	4.47	17.82	4.50	747.7	757.9	762.11	(%)
3	Packaging and	rinting (1)	37	125	8401 5.77	+0.2	8.72	4.95	14.21	2.36	1835.0	3 1847.67	1851.67	1563.
4	Stores (43)		·/	73	0.69	+2.9	9.38 7.30	2.96	12.45 18.52	0.00	363.7	364.87		
5	Textiles (16)			37	9.65	+1.1	1140	4.52	9.70	0.01	710.1 375.5			
5	Tobaccos (3)			92	4.85	+2.0	14.26	5.02	8.01	0.00	907.0			
2	OTHER GROUP	P3 (84)		70	3.94	+0.8	9.73	4.12	13.45	0.02		786.A7	709.03	654.7
i	Office Equipme	nt (4)		20		+9.7	7.57	5.27 4.18	9.48	8.00	729.2			
5	SAMPOING and Tr	stotoori (i	(2)	1733	4.56	+14	7.67	4.35	16.15		210.9 1516.3		215.52 1339.73	
	Leteonone Meta	roris (2) .			1,92	+0.4	9.56	3.00	14.34	0.00	\$58.7			
4	Miscellaneous I	4//	-	PG	5.84	+1.5	7.72	3.63	15.43	0.00	872.83	883.45	881L03	7781
4	(NOUSTRIAL (Oil & Gas (19) _	KUUP (MI)	67	3.63	+1.0	9.37	3.89	13.54	0.20	691.H	781.62	703.70	625.A
H	500 SHARE IN	DEV (SOL	N	111	3.97	+2.5	18.19	7.72	6.53				1113.07	
7	FINANCIAL CI	10112 (11)	9)	/3	3.79	+12	10.44	4.35	11.70		727.5			
1	Banks (7)			52	5.03	+12	17.58	5.97	2.43	9.03	507.50 518.60		516.31	
١,	Insurance Life)	101		1	1.25	+15		434	~-	8.00	772.32		526.74 786.01	431.44 570.6
1	Insurance (Com	posite) (7		40	1.64	+1.5	=	4.75		0.00	407.63	412.33		
ı	Morrisont Ranks	(111)	_	200	0.30	+1.0	7.23	3.66 3.72	18.47		1159.01			
1	Property (511			1 6 8	.19	+12	6.07	3.80	21.95	9.00	278.80		282.64 654.23	248.7
4	Other Financial	(26)		28	52	+0.4	8.11	4.57	14.76	0.04	288.45		290.19	
	Investment Trus Mining Finance	R (103) -		634	L.73	+0.2	-	3.38		9.27	633.36		641.41	506.5
1	Overseas Trades	s (14)			73	+3.2	12.73 13.72	5.91	214	0.00	254.60			277.9
ī	ALL-SHARE IM	DEX (73)(.02	+1.1	_	4.40		8.15		672.02		691.5
Ŧ				Ind	ex	Day's	Day'1	Day's	Jan	.ba	Jan	Jan		
╀	FT-SE 100 SHA	of mar	¥	194	0.	Change	High	· Low	14	13	10		8	Year Year
Ė		Mar Heine	~==		W.S.M	20.0	13905				1945		1404.2	
	Fi	XED	INTE	RES	F				GE ÉRI IPT JOH	YIELDS		Hed 15	Tots Jan 14	Ace.
	RICE	Wed	Day's	Toes	mi .	ad w	adi.		Cores	ment				_
	MDICES	Jan 15	change	14	100	19		Coupons	: 15	70075		19.57	18.12	10.83
T.	- History Communication	 	-	 -~ -	₽-			3	25	700/S		10.55	10.62	19.30
	years	227.10	40.00	776 -	1	1		Medium Coupous				11.78	11.89	11.64
	-15 years	127.29	+0.58	116.75	15			5	3			10.98	11.06	11.21
	ver 15 years	133.78		127.00	-		44 7	High	5	30013		11.91	12.04	11.79
1	rredeemables	146.53	+6.38	145.98	I –			Coupuis	15	years		10.68	11.25	11.37
	il stocks	124.48		126.08			100	Irredees	nables	Ac= 3	t	10.56	10.32	10.17
-	ndez-Linked		14.40	1444	9.2	~ -	<u></u>	Index-L	Inted		-			-
	years	106.05	+0.60	105.42		_	<u>1</u>	Inflatin	rate 5%		yrs	5.00	5.18	90.00
	ver 5 years	107.04		106.51	[_			inflat'n		Over 5		3.97	4.90	00.00
	il stocks	105.63		105.18			1 1/	inflat's	rate 10%	Over 5	yrs) yrs)	3.82	3.85	98.80
							<u>"</u> "	Debs &		5 years	_	12.21	12.66	12.30
┡		108.82	+0.27	108.53		•		Loses	1	5 years		11.76	11.61	11.97
•	chestures & Leaves	TOT OF	7027	108.53	_					NO				
4	reference	81.31		81.33	=			Prefere		25 years		11.75 12.04	11.73 12.03	11.97

YESTERDAY'S TUESDAY'S	LONDON TRA	DED OPTIONS
ACTIVE STOCKS ACTIVE STOCKS	CALLS PUTS	CALLS PUTS
Above average activity was noted in Based on bergains recorded in Stock the following stocks yesterday.	Option Jan. Apr. July Jan. Apr. July	Option Feb. May Aug. Feb. May Aug.
Stock Glosing Osy's No. of Tues. Osy's Stock Change Stock Change Stock Change Stock Change 25 505 -23	(*545) 500 48 50 75 1 10 17 1545 500 8 26 40 10 40 45 600 1 11 20 67 76 76	P. & O. 380 80 2 5 2 5 420 50 40 00 9 10 95 480 6 10 37 30 35 48
Cona. Gold Fields 489 + 7 Wastland 24 95 + 2 Oavenpurt's Grew 360 +40 8AT Inds, 19 328 + 5 Oixon (Oavid) 258 +15 GEC	Cable &Wire 550 25 47 57 1½ 17 22 500 2 15 00 35 42 45 650 012 7 15 53 58 54 650 012 7 15 53 58 54 650 012 7 15 53 53 54 650 012 7 15 53 55 55 55 55 55 55	Racal 140 34 40 45 3 7 812 (*178) 150 18 24 66 7 12 16 18 180 6 16 20 18 32 24
Howard Group	(*457) 500 e 40 50 20 45 59 50 1 18 97 65 75 60 60 60 60 60 60 60 6	(*554) 500 68 88 86 6 12 16 (*554) 560 87 45 57 80 30 57 500 6 80 - 84 56 -
Plasery	(*123) 100 84 38 42 1 2½ 5 8 160 14 66 28 1 5 8 8 150 15 15 15 15 15 15 15 15 15 15 15 15 15	Vasi Reefs 00 10 2012 25 1 512 7 (*976) 70 2 14 1518 612 712 11 512 -
EUROPEAN OPTIONS EXCHANGE	Com. Union 200 36 43 - 1 2 - 1 15 (237) 230 15 66 54 2 10 13 22 260 11 ₂ 7 14 27 35 37	Ex 10% 1969 94 11s - 95s 15c 25s - 25s
Series Vol. Last Vol. Last Vol. Last Stock	Pistiliars 450 77 22 98 91 ₂ 11 ₂ 2 (*535) 500 37 67 62 1 6 6 6 6 6 6 7 7 7 7 7 8 8 8 8 8 8 8 8 8	Tr. 718 (180 1 100 - 114 113 - 177 114 (22100) 102 - 016 013 - 2元 2元 2元 2元 2元 104 - 04 0元 - 4元 4元 4元
GOLD C \$380 29 50 2 386 4 45 \$847.10 GOLD C \$380 895 11.90 107 \$1.50 49 26 GOLD D \$380 708 5.59 55 2.00 74 14 8 GOLD C \$380 98 1.80 10 D 19 8.00	G.E.C. 140 26 36 — 11 ₉ 3 — 19 160 160 0 20 28 2 8 19 19 180 2 10 16 14 18 90 20 1 4 — 54 36 —	Tr. 1193 (8687) 200 1 14s 2 5 1 1s 15s 15s 15s (78106) 106 0 14s 14s 14s 2 6 6 12s 2 6 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
GOLD P \$350 5 0.40 10 1 19 8.00 8 1 2 1 2 1 2 1 2 2 1 2 2 2 2 2 2 2 2 2	Grand Met. 330 40 48 65 1 3 5 (570) 350 12 30 40 6 18 20 23 25 33 40 42 6 6 6 6 6	Option Mar. June Sept. Mar. June Sept.
Mar. Jun. Sept. SnLVER C \$600 19 50 5 515 SILVER C \$650 6 93 5 515	7.C.). 600 145 152 157 1 2 4 (*742) 650 95 102 107 1 9 12 700 45 57 57 2 15 26 750 5 27 35 12 39 50	STR 300 70 - 2 - 2 - 12 350 42 50 57 6 9 12 350 22 40 47 15 20 67 690 10 23 28 57 42 45
SIFR O FRACO 2 3.40 - 2 4.00 Fr.755.13	750 6 27 56 12 56 50 10 15 15 12 15 15 15 15 15	Beecham 290 55 66 — 5 5 10 7525) 350 45 00 00 5 13 16 27 52 38 15 27 32 360 19 20 27 57 42 48
#FL C F1.275 6 6.70A 22 7.50A " 1.25	Marks & Sp. 130 40 47 - 1 1½ - (*165) 140 30 37 - 1 2 - 1 100 11 80 85 1 7 9	Base (600 65 00 95 18 16 27 (655) 650 27 45 55 32 45 55 700 10 25 35 75 60 90
#FL C F1.895 32 0.60	180 1 11 14 14 17 12	Pe Seera 460 160 170 180 4 18 18 (76.03) 500 195 159 145 5 18 27 650 70 95 111 17 50 43
3PL P F1.865 38 1.00 60 4.30 5 6.30 7 8 PL P F1.870 39 2.00 2 6.50 73 8.70 7 8 PL P F1.873 31 5 8 8.00 40 10.60 7 8 PL P F1.873 11 7 19 11.60 — 1 1.60 7 19 11.60 — 1 1.60 7 19 11.60 7 19	700 3 25 00 25 45 00 Traf par Nee 350 5 21 60 10 1212 25 (*525) 550 1 12 18 37 37 37 290 114 5 2 67 67	(*266) 260 25 31 36 8 18 20 250 250 9 15 28 174; 24 27
ABN C F1.580 158 14.50 102 43.10 8 46 F1.594 ABN P F1.540 144 5.11 30 2.50 F1.10 100 17 A 235 80 5 F1.176.89	Option Feb. May Aug. Feb. May Aug.	(*1830) 1400 1701 200
AEGN P F1,120 11 4 85 6.20 FL 84,00 AH C F1,65 174 21.00 - 77 1.60 FL 84,00	BAT Incis 260 75 87 — 1 2 — (*353) 280 55 57 75 1 4 7 80 300 38 50 00 3 19 18 80 18 25 57 10 17 25	Hanson 160 27 54 58 4 512 8 (*198) 200 12 12 25 19 14 17 280 5 19 2 25 87 —
ACZO C FI.140 1578 15.80 344 21.70 151 22.80 FI.157.10 ACZO P FI.150 15 0.19 528 4.80 277 7.80 ACZO P FI.150 407 5.80 54 7.59 FI.164.78 AMRO P FI.106 303 2.80 11 4.19 TIL167 C FI.280 124 23.60 6 26.00 FI.287 IIST P FI.280 124 23.60 19 13.00 FI.287	Barclays 420 38 50 62 5 15 20 (*444) 460 13 27 40 25 35 40 500 4 11 22 50 55 70	7891487 240 111 27 - 012 012 112 012 112 012 112 012 112 112 012 112 112 112 112 112 112 112 112 112
NEIN C FL280 185 2 606 R0 42 31 FL225.56 NEIN P FL350 3 5 348 2 42 31 FL225.56 HOOG I F1.65 879 2 5 627 7.50 198 2 F1.65	erit. Aero (*436) 489 28- 50 05 15 15 25 450 19 27 35 53 35 43 500 11 ₂ 10 17 65 70 70	350 25 52 47 10 18 20 560 10 22 51 61 27 51 10 10 10 10 10 10 10
KLM C F1.56 1926 3.20 931 7.30 41 9.70 FL 58,40 KLM P F1.56 316 0.10 136 8.90 7 4.00 B NEDL C F1.220 272 0.70 698 8.50 63 13 F1.215.56 NEDL P F1.210 5 1.00 98 9 9 —	8rt 7eiscom 160 00 20 26 31g 7 2 196) 800 3 9 14 17 17 12 2 20 01g 51g 51g 7 36 65	Tesco (280) 55 55 55
PETR C Fr.5500 19 80 Fr. 5400	Imperial Gr. 630 54 58 43 5 5 7 1*250) 240 17 24 311 .6 12 17 260 9 15 21 18 22 25 280 5 8 16 32 36 39	Option Jan. Feb. Mar. Apr. Jan. Feb. Mar Apr.
PETR C Fr.8500 19 80 - Fr. 6400 PETR P Fr.5500 2 70 1233 5.80 673 7 Fl.6190 PHIL D Fl.60 212 0.00 215 2.90 A 189 4.50 Fl.6190 PHIL P Fl.60 212 0.00 215 2.90 A 189 4.50 Fl.6190 PHIL P Fl.60 495 1.229 15.60 324 11.80 Fl.151 RD P Fl.160 495 1.229 5.60 324 11.80 Fl.151 RD P Fl.80 60 6 15 15 0.20 18 0.20 Fl.65,40 ROBE C Fl.80 60 6 15 15 0.20 18 0.20 Fl.65,40 ROBE P Fl.80 43 8.80 6 18 1 1 24 PL.52 UNIL D Fl.400 43 8.80 6 18 1 1 24 PL.52 UNIL D Fl.400 43 8.80 6 18 1 1 1 24 PL.52 PL.52 PL.52 PL.52 PL.52 PL.52 PL.52 PL.52 PL.52 PL.53 PL.54 PL.54 PL.55 P	(*190) 180 20 87 88 8 11 14 15 15 15 15 15 15	Index 1896 66 - - 2 - -
UNIL D FL400 44 5 880 6 18 1 1 24 FL252	240 (4 8 11 53 53 57	1495 3 12 27 35 48 55 60 64 1460 2 7 3 18 23 75 82 88 1475 9 8 8 8
TOTAL VOLUME IN CONTRACTS: 53,715 A=Ack 8=Bid C=Cli P=Put	229 12 18 21 812 16 20	January 15 Total contracts 12,518 Calls 2,122 Puts 3,528 *Underlying security prine



WORLD STOCK MARKETS

AUSTRIA		1	GERMANY			NDRWAY		1	AUSTRALIA (c	ontinu		JAPAN (contir		
Jan. 15	Price Sent	+ or	Jan 15	Price	4 ~	Jan. 15 Krs	rieo 🛨	or	Jan. 15	Prico Aust S	+ or	Jan. 14	· Price Yen	+ er
18di1 nat 11 pp *	<u></u>			0 m.		Bergons Bank 1			Gen. Proc. Trusi		-0.66	MNI	359	+1
		+100	AEGVers	308 2.665	- 4 +66	Borregaard 49 Christiania Bank 1	62.5	2,5	Nardle James Norlogen Energy	33	+ 0.02	MN1 Mitsul Bank	1000 418	-10 -4
nieruniali	45,500	- 350	Altanz Vers 8ASF Bayor	283	+1,5 +6	DenNorake Gred 1'	77.5 -		Heraid W'yTlmos	5,15	- 0.04 0,65	Mitsul Mitsul Estate Mitsul Toatsu	1,050	+10
erimaoser terr Daimler,	745	- 60	Bayer Hypo Sayer Vorein	627	-27 . +37	Koamos 11	96 + ⁹	9	Jimberiana F.P.	D.22	-0,61	Mitsukoshi NGK insujators	613	-5 -5
eitscher Mag	168 10,020	4 B + 20	BHF Bank	570	+ 25	Horak Data 4 Norsk Nydro 1	3U - 1	1	Kia Ora Gold Kidston Oold	5.7	+0.1	Nikke See	686	+ 20
			Brown Roveri	647	+8	Storebrand 2	75 +		MIM	2.95	+ 0.1	I NIDDAN EJOCI	1.230	-10
BELGIUM/LUX			Commerzbank Cont'l. Gummi	. 364	+0				Mayne Nickless., Myer Empor/um.	3.5		Nipeen Express Nippen Cakki	1,510	+ 10
Jon. 15	Price Tra.	+_or	Gelmier-Bonz	1.445	+ 60	SPAIN			Net Aust Bank., News	9,42	+ (7,04 (7,05	Nippon Kogaku Nippon Kokan	: 150	~ 5
3,8.L. ,	2,300	_20	l		+ 20	!P!	rice +	or i	Nieholas Kiwi HorendaP'e:Pipd	0.7	+ 0.05	Nippon Selko	477	+12 -3
Bang, Con, Lux Bang, Int.A.Lux	8 A50		O'sche Babcock. Deutsche Bank.	900	+ 14 + 12.5	·	2 % -		North Bkn N11 Oakbridge	B.46	0,02 0,02	Nippon Brimpan. Hippon Steel	. 758 154	-В -1
Saksert	8.250 2.640	io	Greschor Bank	482 279	+ 16 + 20	Bco Contral 3		11	Pancontinental	1.9	+ 0, 12	Nippon Sulsan Nippon Yusen	344 305	_1
Dethelze	8.700	· 2	Henkel	405 750	- 1 - 25	BCG Exterior 2	89 +	5 i	Poseidon	2.85	+ 0.61	Nissan Motor	572	_8 _2
Cicctrobel	5,610 10425	-20	Hoesch Werke	290.5 188	+0.1	Sco Santander 4	l55 . +l	20 B	Reekitt & Colman Repco	3,75		Nissilin Flour Nomura Olympus	1,020 261	. —20 —B
Fabrique Hat	2,010	- 10 · + 20	Holzmann (P)	585	+ 10 + 1	Bco Vizcaya 8 Oragados 1	68	4 I	Bentos	6.34	-0.01 +0.05	Onoda Cemeni Orieni Finance	319	
BL (Brux)	9 300	+ 10	Hussel	465	+ 14 + 26.	Hidrola 8	05.5 —	0.8 0.6	Thos. Hatwide	2.63		Orient Leasing	2,600	+ 60
Govæert	4.500	+25	NAUTHEL	407	+ 12,	Petroleos 16	6 2 - :	2.5	Verngea	5.0	_ O.04	Ploneor Ricoh Sankyo Sanwa Bank	1,010	+ 36
intercom Krediet0ank	2,905	-5	KNO Kloecknor	125.6	+ 18.5 + 0.5	·}		-	Western Mining . Westpac Bank	4,57	-0.02	Sanwa Bank Sanyo Elect	1,350	-20 ·
MEU MIGSE	9,850		Linde Lufthensa,,	271	+7	SWEDEN			Woolwerths	3,4		Sapporo Sekisul Prefab Seven Eleven	668	+8
Potrolma Royale Beige		+20 -100	Mannesson	260	+17	Pr	ice +	or	Wormald In11	3.6	- 0.05	Seven-Eleven	9,600 905	
Soc. Cen. Belge Solina Solvay Clanwick Inti	8,150	+5 +150	Mercedes Hid, Metaligesell Mueneh Rueck	1,504 415	+59 -10		nor -		HONG KONG			Shimizu Gonstn	. 350	· +5
tanwick inti	1,052	-20	[MUXUOFF	200	+ 20(Alfe-Lava 8 26	58 .		Jen. 15 '	Price H.K.	+ er	2hionogi 6hiseido		-1
reetionel			Providence		+21	ASEA (Free) 85	05.	1	Rank Fast Asia	25.2	-0.1	Showa Denko Sony	5,900	+1
	4,130	+ 70	Preussaß Rhein West Elect Rosenthel		+13	Atlas Copce 17 Cardo (Free) 25 Cellutosa 17	74 —2 90 77 +5	[]	Cheung Keng China Light Everge Wang Seng Bank	21.1 16.5	-0.3	S'tome Bank .	1.630	-20
DENMARK			Schering Biemens Thyssen	659 B1B	+54	Electrolux B 20	36 —3	į	Everge	0.67 47.75	-0.25	5'tomo Ghem 2'tomo Coro 6'tomo Elne1'	753 B50	-10 -3
Jen. 15	Price		Thyseen	190	+0.9	Esselta	80 — 5 10 — 7	5 I	Henderson Land HK China Das	2.07	-0.06 -0.2	9 tomo Metal Taise Corp Taisno Marino	312	- <u>1</u>
	Kor \$		Veba	307.5 145	+7	Pharmacle	76 -	1	Hk Electric HK Kowloon Wh.	B,65 7,45		TRIVO Koho Renk	701	_i
indelsbankon	550	+10	Verein West	427	- ā	Sandvik 72 2kandia 38	30 — 3	10 [⊮K Land NK Shenghal €K.	6.7 7.95	+0.05	Takeda	4,100	+50
op Nendels0'nk.	450	+6		000,0		2kan Enskilda 8	31 —	į	NK Telephono	27.B	-0,1	Toulin	477 1,150	—1 —20 —25
e Dankse Luft.		+7 ;;;	ITALY	Priec		i Bonneson 14	LG	[Inini, Gity Jardine Meih	0.97 13,2	+0.1	Tokio Marine Tokyo Elect Pwr	B70 '	+80
ast Asialic Orenede Brygg.	630	-145	Jan, 15	Ure	7-01	Biora Kopperbrg. 17 2ven Handlesbn. 25 2wedish Match. 25	6 -4 B +3	: (New World Cev Orion1 D'seas	1.BB	-0.1 -:::-	Tokyo Gas	268	+11
orenedo Damp.		+6	Banco Com'lo Bastogi IRBS	25,485	-5 -14	Volvo 8 1Free: 35	8 -1	<u>_</u>	SHK Props Shell Elect	1.0	-0.1	Tokyu Corp	985 •	+3
3.8.B yake Bank	785	7 49 1	Geniralo	4.030	+ 129			- 1	2wre Pac A	6,2	- 0.05	Toshibe Elect	350 °	+2
ovo inds	2B3	+ 16	Fist	5,370	+ 10	SWITZERLAND		- I	World Int. Nidga.	2.66	0.07	Toyo Selkan, 1 Toyota Motor	1.270 .	+20
rovinsbanken midth iF.L.i B	303	‡34	Gonerell Assicur.	81,890	+490	Jen. 13 : Pri	ice : +	or]	JAPAN					+50
ophus Berond uperfos,	B55 510 '					Adio Intl	075 +5	75	Jen. 14	Price	+ 0.	Yameleni Bee	700 .	+3 +7 -40
RANCE			Monledisen		+10	Bank Leu 4.	270 1 700 + 1	75		Yon	i	Y menouchiPhm S Yemazaki	777	-80 -B +5
:			Pirolii Co Pirelii Spe Saipom	3,74B 6,850	+ 140	Ciba Gelgy 4,	250 + 1	25	Ailnomoto 1 Ail Nippen Air	764	_50 _2	Yasuda Fira	310	
	Pripe -	ᅡᅂᆝ	Snia BPD	6 B20 2B 800	+ 65	do. iPart Certs) 5.1 Credit Suisse 3.	285 + 1 100 + 6	50 J	Alps Electric 1 Asahi Chem	783	+30	SINGAPORE		_
mprunt 44% 1976 1 mprunt 7% 1976 7	,560	+46				Elektrowett 5.6 Fischer (Geo.) 1.3 Hoff-Rocho PtCts 136	200 +7	o l	Asahi Glass Bank Tokyo	890 . 726 .	-6 -14	Jan. 15	Price	+ or
ceor	318	-2.3	NETHERLANDS			Noff-Rooks 1/18 15.4	150 +1	73	Brother Inds	386 .	-3 +33	Boustand Hidgs	1.11	
-deide	127	÷27	Jan, 13 1		+or	Jacobs Suchard 7,5 Jelmoil	550		Canon	,100 .740	+ 10	085	2,68 4,82	-0.02
ongrein 1 ouyguos 1	.000	+43	ACF Holding	507	+8	Landla & Gyr 2,3 Nestle	380 +1	05	Ghugai Pharm Dalei	925 , 805	+ 20	Naw Par. 8ros	1.60	0.02 0.08
SN Gorvala 2 IT Aleatel 1	.760		AEGON	116,6 84,3	+1.6	Pirelli	107 + 1	ĭ	Dai ichi Kan, Bk. 1 Dai Hippen Ink	309		None Leong Fin	1.62	-0.05
arrefour 3 lub Moditer'n	.093	7 7 7 1	Ahold	157.1	+ 1.B	Sandoz (8r) 11,5	110 49	80	Dal Nippon Ptg 1 Deiwa Nouse	,290 881	‡10 ⁻		4,52	+0.61
e Bancaire	B5B '		ASNAMEV	03.B	+5.3	Schindler (PtCts) 8	30 300 +5	ö	Dalwa See Ersal	743 340	_10 I	Multi Purbose	1.54 0.53	- 0.81 - 0.82
amart 1,	950	+B [1	Bredero Cert	114,7 215 13,9	+2.7	Swissair 1.8	30	0	Fanue	200 '	10	OUB	7.20 2.55	+0.61
arty 2, umoz S.A 1,	163	+12 t	Bos Kalis Westm. Buehrmann - Tet.	159	+2.8	Swiss Bank 5 Swiss Reinsce 15,5	86. +4 00 +1	oo l	Full Film 1.	950 :		Sims Darby	1,10 1.46	-0.01
t-Aquitane	219 .	- 2.2 II	Calland Higs Dordtsche Pet'm	32.6 170.8	+0.7	3wiss Reinsce15,3 Swiss Volksbk 2,6 Union Bank 5 4	30 -16 50 +1	90 55	Fujitsu	000	+1 }	Straits Trdg	6.80 2.17	- 7.88
silor 2, in Occidentale		·6],	Elsevier NDU Fokker	184,6 81,8	-0.7	Winterthur 6,3 Zurich ins 6,3	50 + 50	50 0	F'jrukawa Elect. Green Gross 2,	060	50	Tat Leo Bk	2.17	-0.05 + 0.05
farge Coppee.			Gist Brocades	287 .				_ 11	Holwe Real Est	840 752	-6 -3	SOUTH AFRICA	_	
farge Coppee. real	929	18	nt Muellor	86 74.5	+1	AUSTRALIA		Į,	litachi Intachi Credit 1, Ionda	170 : 180 :	-10		Price 1	+ or
sisons Phenix	176 4	1 18	CLM	58,4	+1.5	Jan. 13 Aust		7 [ndi. Bk. Japan 1, shikawajima Hr.	090 i 154 i	-20		tand -	
Chelin 9 1,	6 90	[]	laarden	62	-i	ANZ Croup 4.7		₩.	tob IC	343 I 452	-3 K	AE&CI	2.3 9.23	0.55 0,05
Al Olar	29 9 ' +	24 N	ved Mid Bank	87.4 242.5	+ 1.3	Ampol Pet 2.4	5 -0.	1 11	to, Yokado 2.	950	-10 1	nglo Am, Coal.	63,5 57,0	 5
di (Clet 4, oct-Hannessy 2.		·0'8 10	deditoyd		+1 /	Aust Cons, Ind 3.0	+0,0	2	Usco 9,	070	+30	Anglo Am. Corp	229	+1.3
ot Hennessy 2 outnox			Pekhoed	36.6 87.1		Aust Hat, Ins 3.0	_ ov	1 K	AO 508 D		<u>-</u> 47 ∏	Sarclays Bank	20.75	+ 0,25
di Clet	850 ; - 507 -	10 15	hillbe	61.8	+ 2.6	Bell Crub 6.8	1 400	02 K	ILIU	764		HA Gallo	13 85,5 2,30	+ 2,5
idi (Cletton) pot Hannessy 2 pot Hannessy 2 prof Est. 1 prof Rica	850 ; - 507 - 520 +			13-7	-0,3 L	Bell Ret.,	+0.1	1 /K	Obe Steel		-5 6	e Beer.,,,,,	4 65	+0.05
di Clei	850 ; - 507 - 520 + 378 +	13 R	k d amco	24 5		DOTE:	+0.0	12 K	enishiroku	572 j	T. 10	rietentein	55 '	+2+5.5
di IClet	850 ; - 507 - 520 + 378 + 46,1 - 981 +	13 R 11.9 R 21 R	k d amco	46.6 -	-0.3 1	Rougainville 22	4 000					S Geduld .		+3.5 -0.75
di IClet	850 ; - 507 - 520 + 378 + 46,1 - 981 +	13 R 11.9 R 21 R 40 R 35 R	cdamco	46,6 = 1B1 = 399 =	0.8	Bougainville, 2,2 Brambles Inds 4,3		I K	ubota	553 738	+0	S Geduld 6 lold Fiolds S.A 6	10.75	
di icle	850 507 520 + 378 + 46.1 46.1 + 360 + 185 + 185 + 185 +	13 R 21 R 40 R 35 R 29 V	c d amco	46.6 181 399 281	0.8 1.2 3.5	Bougainville, 2,2 Brambles Inds, 4,3 Bridge Oil 2,22 B. H. Prop, 8,94		. K	umagei	38	+ e c c c c c c c c c c c c c c c c c c	S Geduld 6 old Fiolds S.A 6 lighveld Stool 6 edbank	10,75 5,75 8,75	0.2 0.05
di Clei	850 - 507 - 520 + 378 + 46.1 - 46.1 + 560 + 5	13 R 21 R 40 R 35 R 29 VI	cdamco	46,6 1B1 399 281 510	-0.3 1.2 3.5 2	Bougainville, 2,2 Brambles Inds 4,3 Bridge Oil,	+0.0	KKK KM	umagel	38	+ 12 + 170 N	S Geduld	0.75 5.75 8.75 3.50	-0.2
di (Clet	850 - 507 - 520 + 378 + 46.1 - 46.1 + 560 + 5	13 R 21 R 40 R 35 R 29 VI	cdamco	46,6 1B1 399 281 510	-0.8 -1.2 -5.5 -2 -4 -0.8	Bougainville, 2,2 Brambles Inds 4,3 Bridge Oil, 2,22 3. H. Prop 5,96 CSR 5,72 Geremont Pet 1,15 Colon C. L 4, 5	+0.0	KKKMMMMM	yoctre	38 90 29 10 95	+ 4 - 18 - 170 N N N N N N N N N N N N N N N N N N N	S Geduid	10,75 5,75 8,75 13,50 2,7 52,50	-0.2 -0.05
di Clet	850	13 R 21 R 40 R 35 R 29 VI 30 VI 5.1 W	cdamco	46.6 1B1 399 281 510 260	0.8 1.2 3.5 2 4	Bougainville, 2,2 Brambles Inds 4,3 Bridge Oil	+0.0	KKKM MM 85 17	yocere	38 90 29 10 195 48	+ 6 + 170 + 170 N + 170 N N N N N N N N N N N N N N N N N N N	S Geduid	10,75 8,75 8,75 13,50 2,7 52,50 27,85 14,25 9,7	-0.2 -0.05 +0.6 +0.2
di Clet	850	13 R 11,9 R 21 R 40 R 35 U 29 V 117 W 5.1 W	k damco	46.6 1B1 399 281 510 260 105	0.8 1.2 3.5 4 -0.8	Bougainville, 2,2 Brambles Inds 4,3 Bridge Oil 5,2 Brambles Inds 5,2 Brambles Inds 5,2 Brambles Inds 5,72 Bramble	+0.0 +0.0 -0.0 +0.0		umagel	738 190 29 10 195 48 40 60 15	+0 -18 +170 NN -1 -1 -6 +10 -40 +2 -3 -3	S Geduid	10,75 8,75 8,75 13,50 2,7 52,50 27,85 14,25 9,7 8,70	-0.2 -0.05 +0.6
31 icle	850	t.3 R. 11.9 R. 21 R. 40 R. 3.5 V. 129 V. 17 W. 5.1 W. 18 pag are la. 1. xc 1.	k damco	46.6 1B1 399 281 510 260 105	0.8 1.2 3.5 4 -0.8	Bougainville, 2,2 Brambles Inds 4,3 Bridge Oil	+0.0 +0.0 +0.0 +0.0 -0.0		umagel	738 190 190 195 148 140 15 160 175 146	+0 P P P P P P P P P P P P P P P P P P P	S Geduid	10,75 8,75 8,75 13,50 2,7 52,50 27,85 14,25 9,7 8,70 5,50	+0.6 +0.6 +0.2 +0.05

OVER-THE-COUNTER	Nosdag national market, closing prices
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Stack		Sek (film		ինթ յո	w Last Ching	Stock	Sales H [Hads]	ge Law	Last Dang	Stack		Sales High (·Inds)	Low Last Chang	Stuck	Seles High Low 14 Hnds}	•
Cont	timu	ed f	TOIT	Pa	ge 39	Hibims	317 7	674	67 ₆	SpecCul	.07	166 8 ⁵ 8	898 617	US An1		41 ₈ + 3-11
			- 		Pa 40	AuchEls	.80 132 16 ¹	22°4 163 ₈	221, + 1,	Spire 3tar5ur		156 105	134 10 ~ 18	US Gap		2'8 - 18 4'3 - 18
PNC:	1 32	139:	Ε.	u _{iii}	20	RoadSv	.80 132 161 1.10 2240 361	3415	1638 - 18 36 + 14	StafBid	.20	156 105 91 05	104 105 + 1	USDsgn	139 2 23	2'4
Pecur	1.40	157	36% 44%	3514 4311	36 441 ₄ + 1 ₄	RobNug	.06 14 131	1314	134	Slandy	1.08	B1 311-	3074 31 - 14	US HCs	(DISIS 21-8 21-8 2	13 + 3g
PacEst		5		117	113, + 1	RobVsn	20 8	Bog	87g + 14	StdMic.		188 14Pa	13's 147g + 1			4 ~ 1-11
Pac7el	80	25	15	1404	1-434	Rouses	.54 397 28	27	2704 + 34	Stanhm StaStBs	1.20		27 27 ~ 12 42 421a - 15	US 5ut		1914 T 12
PaceFh PancMa	.13	264 55	16	157 ₄ 8	15 a + 1a 9 + 1a	RoyPim RoyIRs	1 17 89 5 3	57g 27g	8 ³⁴ + 1 ₈	StatoG	.05a	801 427 ₈ 4		UŞtafn	.24 58 25 24 2	243, + 1,
ParkOh	. 13	682	13	1274	127 + 3	RustPel	10 117	1159	11/4	3leager		6 5	40, 5	Un7elev	49 25 8 24 8 2	24'6 - 16
PainiM		391	6°a	674	63.	Ryanfs	395 214	2114	214 - 14	5lew5tv	**		15 15 - 14	UVe8s LinvFm		6/4 - 18
PaulHi	1	18	11 6	1174	11'0 - 18		S	S		Street	.12	7 23 22 6%	23 23 28 83 + 1	UnvHit	6:1 14 13 1	141: + 1:
Pear HC		46 152	123	1814 121	189 ₄ + 1 ₂ 125 ₈ - 1 ₈	SAYING	121 94	914	912 - 18	Stratus		434 224 :	2012 223 + 116		.07e 01 13 ¹ 4 12 ¹ 4 1	1318 + 38
Puntild	06	1491	83	6	814 + 15	SCI Sy	439 15% 119 251	153 ₈ 251 ₄	1512 + 16 2512 + 14	StrwCls	.76	111 464 4	45 4614 + 114	Uscat		5
PrimEn	2 20	5	320	377	323 - 3		10r 67 73	712	772 - 14	Suparu	2.28		2334 2334 - 14 62 183 + 112	VL1	234 55a 55a	
Pontars PropEx	.63. 720.	849	30 5-3	2912 84	83 ₄ - 1 ₈	SPH	80 310 10 ⁷	1612	1612 - 14	SubrB	1 62		8772 8774 - 14	VLSI		وا + براؤا الجا + بالجا
Potrile	1 12	23	277	27	272 4 15	Salecds	.24 365 23% 1 80 352 47%	22° a 467 a	230g + 12 473g + 3g	Summa			7 16 274 + 14	VMX	89 5'2 5'4	51
Phrmci		367	7%	714	779 7 14	Sathitis	12 131	1314	1314	SunCst	, 10	166 91 942 1 9-16	676 248 + 18 138 1 7-16	VSE	.170 \$ 1115 1115 1 817 87 675	1111 + Ju 1874 + Iu
PSFS	150	9622 17668	223	22.	83g + 1g 221g + 11g	StJude	179 191	162	1914 + 12	SunMod			10 104 + 14	ValFSL		894 + 18
Phin Ar	53u	000	4	34	34- 4	SalCpt	3 1874 80°2 566 5°2	781 ₂ 51 ₄	512 + 15	SupSky		1 712	71- 712	VelNII	132 693 4212 414 4	12 ¹ 2 + 3 ₈
PrcSuv		1328	331	3212	3330 - 10	SanBar	35 84	84	92 - 1	Supilex		97 414 76 1116 1	4 418 105a 11	VerLn	40 1 261, 261, 2	85
Fic C 115 Pagetha	50 1 04	21:3	2714	21 33	34 + 3	SareiSy	.14 438 63	612	634 - 4	Syntech		144 8%	87 84 - 1 ₈	VanDus Vanzeti		5 + 18
PronS4	12	732	104	راو"	10	SavnFs . SBAPSs	.44 268 2176	30 211,	303g + 5g 2124 + 1g	Syntrex		129 44	4 - و44 د 14	Vontex	643 418 4	4'8 * 14
PoFplk		2.7	10	8.9	18 + 14	ScanOp	764 12	113	2124 + 16 1134 + 36	Syscons Syssoc	:20		1314 1314 14 91 ₂ 1014 + 14	Vicorp Viedefr	12e 4561 15° ₈ 15 1: 20e 257 6° ₄ 6° ₈	15-8 - 12
PicyMg Pores		335	23 26	250,	2212 + 14 2516 + 18	ScanTrs	192 164	16	16	Systin		24 75	74 72+4	Vikang	2De 257 6°4 66°2 15 15 15	674 1574 + 72
Powell		92	134	170	17m 1₄	Scherer SchimA	32 283 1514 44 349 303	141 ₄ 291 ₄	15 + 5 ₅	Sysing	.06	251 1214 1 33 24 2	114 16 + 35	Viralek	3569 225 217, 2	24 + 1
FUNIS		18	134	1317	1314 + 14	SciMic	21 5	4 8	5	3ystmt	.00	~ ~ ~	234 234 - 4	Vodavi		9-a - a 0: - 1
PwConv PrecCst		151 96	13 281 ₄	12 ⁷ 0 273	2734	ScuStt	778 73 ₄	774	6 - 4	TBC		22 12	12 12 + 15	1	WW	0: 1 4
Proposeg	• • • •	1988	181	1718	175 + 5	SpaGal	756 41-	3 8	414 + 18	TCA Cb	-19	430 274 2	27 2714 + 14	WD 40	1 04 76 22 217 2	2 + 5
Priam Pries m		2566 240	5	5 ¹ .	5% + 5 9% - %	Sangale	11219 83	7: 8	94 + 3	TacVivs 7andem		4 2 e 506 21 kg 1	276 276	WaltiCs	.32 99 16'9 16 19	6. • •
PriceCa		1400	60	6612	6634 - 214	Sec7 ag	149 21 393 5	25	21g + 1-11	Tandon			44 43	Wiki7el WshE	245 9 85 1 178 109 234 73 23	3
Prirons		311	1318	12	12'6	Suibel	.80 77 12	129	183	ToCom		4 1424 1	143 ₄ 143 ₄ - 1 ₄	WFSLs	72 241 32% 311, 3	28 4 4
ProgCs	.16 12	182 4801	48	477	473 + 1-1· 473	Sensor	.05 4034 874 .08 3591 1214	84g 113 ₄	89 +	Telco TicmA		545 14 1 172 383 ₈ 3	13 ¹ 2 13 ³ 4 + 14 16 ¹ 4 36 ⁷ 4 + 18	WMSB	.10e 3657 20'4 185, 20 28 83, 24	8 ¹ 2 12 12 12 12 12 12 12 12 12 12 12 12 12
Propria		24	1739	113	113	Svmsts	.08 3591 121 ₈ .84 227 231 ₄	2234	12½ + ¼ 23	TelPlus	1	138 61	216 614 18	Webb	.40 84 12 114 1	174 12
Provin		3	Σ,	31	3154 + 17	Servico	1 61 22%	22	22% - %	Telecid Telecis			1674 27 + 14 1156 2134 - 14	Wesifn WstFSL	24 22 21'5 2	2
PuriSn QUIS	40	119 47:	31 ¼ 1004	104	10 - 4	SevDak	.12 68 195s	41 ₄ 193 ₈	45g + 3g 193g - 1g	Telvid		25 314	215 213 - 19 26 31s + 18	Walicie		1°a 1a
Quadra		1616	9: 8	918	ولا + وشوي	Star Med	60 980 324	3212	375 +	7 elabs		K66 11 1	©₄ 11	Wi1lAs	50 19', 19 19	943 1 14
Quantra Quantra	.42	26 208	15 25	141	2404 + 14		184 29 414	41	41	Teixons 7em/Dt	.01 1 1	191 23 2 61 3's	234 2234 - 14 334 376 + 19	WmorC WstwCs	.40 10 20% 20% 20 1644 12% 11% 12	01
QuestM		315	້າ	ند	5 - 14	Shelbys Sholdla	.16 35 231 ₂ 125 91 ₃	2314	2312 + 14	7herPr	•	3 679	63a 63a + 1a	Wettra	98 272 384 385 38	21a 1a 85a
Ou 40te		10	no.	20	2015	Shoneys	.15 1265 25 a	2434	2514 + 78	Thermd	64 4	95 134 1	312 1334 + 14	Wicat	11 19 5 4 51 4	54 1 16
Cuoun		3005	123	15	124 + 4	ShonSos	159 123g 178 43a	1218 418	121 ₄ 41 ₈ - 1 ₄	ThrdNs Thortes				Wildcom	99 4's 4' 165 221 48'; 49 45	4's 14
HAX	016	389	Ŗ	R	9	Silicon SiliconS	1538 12%	1218	125 + 5	ThouTr		163 71 ₂	n_4 n_4	WillAL	1219 1614 1515 76	61, 1 %
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RaySys	_	48	1474	144	1414	Sillec	173 224 201 51 ₂	211 ₂ 2	22 + 14 51 ₂ + 1 ₂	TollSys	•	24 31 2	7.16 12 - 1-1 19 31 + 12	WilshF		5″a 5%ii ba
Radini		700 26	111	1014	10% T 12	Simple	.80 32 16-2		1614	TrakAu		2 145 1	612 1415 - 14	WiserO	.60 201 161, 161 ₈ 16	
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Բողջորդ Այդել (20	1,713 690	15% 7	12'8	7	SonocPs .f	83 73 307	20,	304 + 14	Undi			Cη 1i* +1′g	, Xide.	4704 14' 14' 14' 14	≘ , 1₂
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Pr hub	-	1,	٥Ý'n	5	5 1-16 - 1-1	SoHosp SthdFn	51 44 52 29 30%	2014	418 2014	UBAISK .	15r	50 91,	8-g 914 - 14			7.12
ReAuto	.16	2397	95	96g 1412	140a + 1a	Soutest	.52 29 20% .60 595 20%		204 + 38	USCol	108	69 29% 2	8-s 28-s+ γ	Zentit	136 19 45°, 44°4 44	e, i 'i
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Rubh	200	20:0	323	31-	32- + 118		28 2463 331 183 20%		33 + 3 ₂		.64		8 61	Ziyad Zondvn	6 64 64 6 1276 15 161, 15	5 , 5
Rus Ruy	1 40	64	521	\$11 5	51'5 - 14	Spectren	183 20% 182 20%		1904 - 12	UPresd			01 ₂ 100 ₈ + 1 ₈ .	. Zymos	289211-16 21 211	
Pho c es	.32	913	18:	1756	18', + 3,	1 State	102 204	10-2				_				

HAND DELIVERY SERVICE

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BELGIUM & LUXEMBOURG

CANADA

Sales	Stock	High	Low	Close	Ching	Sales	Stock	High	Low	Close	Ling	Sales	Stock	High	Love	Close	(iking	Sales	Stock	Hegh	Law	Close	Сти
ļ	TOR	ON	TΩ			400	Compullog	\$13°±			- 4	3230	Kiena Gld	5251 ₂	241.	544	~ 3y	2180	51. CemA 1		25	:5	_
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l						4066 6100	Con Bath (Coisto B 1	1 51977 56	1\$\g 5.' ₉	18	- 1		Laidlan A Laidlin B 1	\$147 ₈ \$140 ₈	141,	14 ⁷ 8	1	36968 3923	Scagram Sears Can	\$65 k	634 1134	1111	- 3
17722		615%		15:8		20550		5251,	7412	25	- 14	20200	Leigh Inst	385	380	360	~ S	1900	Selkrik A I	524	ໝູ້	23	
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26330	Agnice E	\$25	233	25	+ 1%	790	Corby	516 ³ e	163,	167,	-	700	MICC	400	395	395	- 5	2642	Signig	516	77g	16	
78245 5850	Albria En Albria N	\$16% \$15%			+ 19	2430 1500	C Falcon C Coseka R	\$173 ₂ 340	17 240	171, 240	+ 7	6400 8815	MSR Ex McJan H X	350 S 15	335 144	340 15	10 + 'a	4340 48583	Southm	\$16%	16	16 9	- :
	3 Akan	\$43	42		+ 1g	200	Costein Ltd	\$10'2	10':	1612	+ 8	1600	Mcin HY 1	\$135 ₈	135-	135	-	1100	Spor Aere 1 Steinbg A I	522 534	21 a 34	21's	- 1
200	Algo Cent	5205e 520	205 _k 20	203 ₈		7500 12767	Growns A 1	\$2318 \$221	33.9	23 °		17830	Macmulan	5243 ₄ \$201	231 197	20'7	+ 114	164035	Sleico A	82316	24 3	23	
	Algoma St Bremse A O	S 121-			+ 34	5800	Cam Res	225	220	225	- 3	5404	Magne A I Manifirme I	\$145	141-	1415	+ 5g + 1g	1000 5400	Sulptio Tala E4	173 516%	163 165	163 163	- 1
69514 300	Alco I I	811 \$104	10°s 103°s	103	+ 1	32401 5466	Dean Dev Dearson A	475 D 5 14%	470 14'a	465	- 1 _a	1500	Mark Spnc	\$151 305	15 °	151 300	- 5	207564	Teck B 1	519	10',	19 "	- :
21422	Atcoll BČŠugarA			23'8	- 38	22363	Denison 8	S135	13	13'4	- '4	37756 604	Mass Fer Mc Intyre	\$42	41	42	+ 12,	28396	Tole Mer 7êrra Mn	\$32°.	285	32 295	- 6
22100		58	71,		- 17	1200 98805	Develors Obstance A I	รก _{ับ} \$97 _ค	518	51 ₈	- ;	6690	Mercantil	\$604	მ ⁵ ც 305	674 315		12700	70xacu Can	529 g	2918	79'9	- :
545 1300	BP Canada Banister C	5301: \$16	9.4	301 ₂ 10	. 1,	9635	Olcknan All Dicknan B	\$8 x	85 ₁ 25 ₄	6.° 20₁		1000	Medand E Mora Res	31\$ 255	250	255	+ 5	19530 97951	Thom N A	\$23 5000	29's 27's 27's		-3
20627	Bk BCol B Bk Monti	530°a	51,	527₁ 327₁	-	19921 12032	Dolasco Dome Cca	\$26 \$77a	7	26 13 ₄	•	15000	Mitel Corp	\$8º2 \$13	80g 127g	81. 123.	- 10	1233 19020	Tor Sun	525'4	25 34	25	. :
	4 Bk NScot	51%	32°8	13:8	- 1g	301325	Doma Mine	\$15'a	15	1534	- 11 ₈	200 23413	Molson A 1	\$20	1934	20	- 3 ₀	6600	Torslar 8 Total Pel	5341 <u>.</u> 5341.	34 343 ₀	34 ,	- 23
2800	Baton A I 9 Bell Can	\$22 \$39°a	21 394	22 391,	+ 1	154762 351	Dome Pele	310 \$147	290 147 ₈	305 14%	- 13	10720	Molson B Moneco A 1	\$20 1 58	19 ¹ 6	20 8	+ 16	10600 5486	Traders A I TrCan R A	\$28 230	24.	225	- (
9159	Bluesky	335	330	330	- S	2110	Domtar	5221	2218	2214	+ 16	200	M Trusco	\$15	15	15	+ 14	3300	Trns MI	51112	171,	111 ₀	
25009		385 \$153	375 151:	375 154	- 5 + 'a	650 700	Donohue Du Port A	\$161 <u>2</u> \$28	1814 2734	1814 271	7 :	738 88 76779	Moore Nat Bk Can	\$272 ₈ \$23	265 ₈ 223 ₈	273 ₈ 23	4 %	44923 789:8	TinAlia UA 7rCen PL	526 g	26	76 a	
2400	Bralorne	340	330	340	+5	67150	Dylex A	51512	1514	1515	- 36	17774	Nt Vs 7 rco	\$204	107	1994	- 14	14675	7rilon A	\$215	201 211	2115	
5567 8563	Bramalee Brascan A	518 \$36%	175g عثو	18 363	+ 1g - 114	214461 877	Echo Bay Emco	\$21½ \$21½	21 231,	2112	- 11	1000	NYI Capa 1	5714 \$171 ₂	7 173	7 173a	- 13 - 14	7410 5900	1 rimec 7 rimity Res	310 240	300 225	300 240	- 5
15 155	0 2rkwaler	5774	7%	778	- 5	24700	Equity Svr	577	77,	734	+ 14	157703	Norande	5161	153	1615	+1	600	Trizec B	\$2E12	28'	281	
4768 29281	Brenda M BC ForP	55 5117	9	9	+ 1,	8 1600 488055	FCA Inti Fichbrdg	\$22°4 \$23	213	22° ₆	+ 11.	7697 14356	Norcen Norce ord I	81612 5153a	18 151 ₈	161 ₄ 153 ₈	1: 3a	2550 590	Ulster P Un Carbd	181 T	101 14'e	18 (
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1500	Brunsw+	131ء	13	1111	- 14	300	Figning B 1	S141:	14'-	1412	-14		Nor 7el Noringai	\$461 ₄ \$51 ₈	450g 480	يك45 51a	. 421-	1200 639	U Canso Un Corp	88 535'a	88 35	88 35: ₈	
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1-1037 24535	Camp Rik	\$33%	312 340	3314	+ 21 ₈	1103	Gendis A Denstar L	533 a 533 2	33	33°2	- 14	13200	Ocelor B (67	6.	6 a	+ 34						
4750	Camp Res Camp Soup	348	245	346 243,	- 5 + 1 ₄	25350	Guant Yk	525 T	33	25	7) 7 2	7760 4000	Omega Hyd Oshawa A I	5714 5334	7 33%	71 _k 333 ₀							
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9344	CDC 1	594	91,	90 203	+ 19	1050	Gratton A 1	\$1334	95 ₈ 71 ₄ 135 ₈	71 ₂ 135 ₈	-4	1707\$ 19850	Pgurin A I Pamous	\$12 T	1134 938	11'a 9'6							
500 1980	Can Mail C Nor West	\$.70 ³ 4	201g 241g	203 ₄ 243 ₈	+ 3	1300 4100	GL Forest Craybad	\$191 ₂ \$24	181 233	181 233	-24		PanÇan P Pogasus	\$31 \$1112	301 ₂	31 111 ₂			MON	TRE	AL		
1450	C Packre	\$3412	34 375	321	15	15180	GuarPA I	\$1174	1115	111	-1	3325	Pembina	5164	16	16 ~	-14	C	losino prie	es Ja	nuarz	<i>j 15</i>	
2300 980	CS Pete I Can 7rust	380 \$42	42	375 42	- 15	250	Oulf Can Hewker	\$204g \$2115	201- 211-	201 ₂	+ 1 ₈		PJewi A 1 Pina Point	\$113g \$17	1 13g 1634	113	. 14				-		
500	CG Invest	5461	46	46	- 50	727 2400	Hayes 0	\$12	12	12	n la	383949	Placer 0	526	251	26	+ 10,	47462	Bank Mont	5337	3. a	30%	٠٠,
19850		540'a \$20'a	403g 203g 24's	40°a 20%	+ 3	75	Hees Inti Heritag A I	\$ 231 ₄ \$ 155 ₈	23 195 ₈	23'4 19%	- 14		Poco Pet Powr Cor I	\$100g \$213 ₄	18 215	103 <u>a</u> 213 ₄	. ود	30038 16418	Bombiai B	\$161. Sid	16' 15'	16	-59
20800	C Occental	\$243 ₄ 918'a	24'a	243 ₈	* 'a		H BayMn e H Bay Co	68 \$235 ₈	73 <u>.</u> 231 <u>.</u>	232	10	1700	Pracamb	S 5	5	5	+ 16	12450	CR Pan	523	- 3	23	Ξ,
34786	CTire A	511%	1158	113,		46833	Husky Oil	S 101	1614	16'	* 14 1		Provigo Qua Sturg	\$16 460	1534	16 455	+65	94348 1200	Cascades CIL	\$14 \$304	30.	ران) ران	- ':
44133 10200	CUNIA I	9185 \$181	181. 191.	183 ₈	- 3		Imasco Imp Oil A	\$26 g \$503	261 ₈	26° a	: 7,		Ranger Rayrock 1	480 59	470	416		42076	ConBath	518	18'-	18',	- 16
4200	Cantor	\$1612	16	1614	4 6	302684	Inco	5194	4912 193 ₈ 181 ₂	193	+ 19	51556	Redpath	31712	16 a	81 ₇ 16'8	+ 118 28 + 5	7725 89079	Dom7s1A Gaz Meire	514 . 511 .	14% 11%	14%	- 1,
12721 600	Canron A Cara	9184 \$193	18 ¹ a 191 ₄	1814 19-2	+ 18		indal Inland Gas	S 16 a	1812 1812	18°a 16°a	+ 1a + 1a		RegioniR Reitman A.1	385 T	380 28	390 26	+5	1516	Mnilist NoiBk Cda	\$15	15	15	
700	Cara A I	6191	1812	194	+ 14	10400	Іппорас	\$16	1015 1534	1534	- 'e	3770	Rio Algom	52412	234,	2412	7 34	432 16	Power Crp	523 571.	23 ·	1:	Ξ.,
4095 25500	Carl OK Carma A	512% 30	124 ₆ 28	123 ₄	+ 18	184116	Inter City Inti Thom	5167 ₈ \$83 ₁	164 85, 42	161 ₈ 63 ₄ 42	- 1 ₈		Rogers A Rogers B I	\$ 125 3 165	12 153,	1215 18	+ %	13665 41323	Provigo Royal Bank	\$ 16°	15' 31	15.	- 9
13616 5801	Carolin	275	220	260 111 ₂	+ 51		Into: Pipe Ipaco	\$423 ₆ \$133 ₄	42 133 ₄	42 134	4.	5440	Roman	\$14	14	14	-16	840	RoyTraico	\$221	751		·í
19525	Celanesa CentFd A	\$1112 \$678	63 ₈	674	+36	5620	tvaco A I	9183	184	1814	* 14		Rothman Roval Bok	\$32 \$324	3134 3158	32 32 257	<u> </u>	2542	SleinbigA	5.3~	34	34	- 7
6391 2000	Contrt Tr Chieftan	5144 \$13	14 13	14	+14		Jannock Kern Add	5201∡ 517	193, 16 a	2014	+ 5a j	6968	RyTico A	\$22% 258	22 234	22	- i						
2000	Janenan	913	13	13	- W 1		Alle	J.,	.08		- to 1	126662	-uyez	238	234	277	+ 2F	Total S	iales 5-402 us	o share			

Indiane

	Jan	Jan	Jen	Jan	Jan	1985/80		35/88	Since C	ompiletion		Jan. 15	Jan. 14	Jan. 13	Jan. 10	198: High	5 .86 Low
	15	14	13	10	9	Jan B	High	Low	High	Low	AUSTRALIA						
lodustrial	s 1,526.26	1,519,04	1.520.53	1.513.53	1.518.2	3 1,526.6			6 1567.7 (7/1/86)		All Ord, 11,1:801 Metals & Minis, (1,1:80)	1058.5 681,2	1048.8 528.4	1051.1 632.9	1044,2 526,2	105?,2 (25:10 683,9 (20:5)	715.3 .7. 662,5 .7.
Transport	698.96	892,78	692.31	686.97	688.9	693.46			723.31 (16, 12/65	12.32 (8/7:32)	AUSTRIA Credit Altken (2:1-82)	129.82	125.74	125,5	124.9	5 126,82:16:1 9 6	j. 61,21 ı24
Utillaies	1727	172.55	172.34	172.75	1720	174.7	179.06 [7/1:36]		179.86	10.5	BELGIUM Brussels 8E (6/1;88)	2766.91	2768.26	2772,94	2780.6	2986.36" 26-11	ı 2098.7 ₁ 18 ·
Trading vo	4	114a	108m	1224	1764	180m	-	-	-	-	Copenhagen SE 13-1-83)	ıŲı	216,51	216,85	225,91	237.76 :2:1:86	i 168.44 18:
nd Div Yie	ld %a		-	Jen 10 4.21	_	an 3	Dec 2		Year Ago (4.5		FRANGE CAC Coneral (5:1:88) Ind Tendance (51:12.82)	272.5 104.0		276.6 188.4	275.5 105.4	267,3 .8 198: 166,2 :6:1/80	180,9 /5/1 1/1/2,0.61/1
TAMOAR	AND PO	RS	T				1985	/86	Siece Co	modetion	GERMANY FAZ Alktien (61/12/58)	718,76	707,2 °	986,53 2063,9	889.78 2000 F	/16,76-16-1-96 2161,8,15 1-98	582,69·5.1
	Jan 15	,Jazz 14	Jan 13	Jan 10	Jan B	J#1 9	High	Love	High	Low	Commerzbank (1/12:58) HOHG KONC Hang Seng Bank (31:7:84					1826,84 (8:1/8	
ndustrials	1	229.22	229.36	205.96	228.72	!	237.62 7.1/86) 213.80	128.24 (4/1/85) 163.68	237,02 (7/1/86) 213,80	3.62 (30/6/32) 4.40	ITALY Banca Comm ttal, 11972:						
- Parising	200,21	200.64	200.72				7/1/86)	H/1/85	(7/1/86)	[1:6:32]	JAPAN** Nikkei (18:549) Tokyo SE New (4:1:68	1C:	12928.6	12977.02	12998,21	13136.9 4·1 06 1057.55 (10 7)	11545.2-5-1
				Dec 31		Dec 24	Dec 18	- '	Year Ago	Approx)	HETHERLANDS		1027,3	1200121	ept 3.00	1001.00 (10 1)	10.00 411
d. P/E R	atio			3.38 14.88	1	3.80 4.50	3.4°	,	4.1 10.3	Z	ANP.CBS General (1570) ANP.CBS Indust (1979)	261.8 248,5	258.1 245.8	258.2 248.5	261.4 249.1	267.0 :8:1 86 254.8 :6 1 86	
	L COMM			5.24		9.29	9.33	AND FA	11.6	5	HORWAY Osto 5E (4.1:83)	401,52	401.67	410,62	547.15	4:2 98 -12 11-	259.18 (2:1
		<u> </u>	1	985				Jag	Jan	Jan	STNOAPORE Straits Times (1986)	629,15	684.D	6.6,72	638 06	852.65 -7 61	596.18 (23 1
15	Jan Jan 14 13 15.21 118.	10	High 128.98	Local	<u> </u>	uen traded	_ 1 2	.D07 934	2.012	2,019	SOUTN AFRICA JSE Gold (28/8/78) JSE Indust (28 S/78)		1184.1 1101.5	1204.5 1105.9		1277.1 (25 11) 1112.0 3 1 86)	829.3 45 8 767.1 7 5
			116/12/85		St Fai	is		851 422	897 873 442	790 779 450	SPAIN Madrid 3E 150:12:851	109.52	105.58	100.08	114,67	115,32 IS. 1 86:	100.0.30.12
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CA		Stocks Traded 2.385.208	3.80p.m Price \$2%	co Clang	y	ng Spk	Sto Tra 1.372	ded	5.00p.m. Price 10Vs	Change on Day + 3%	SWITZERLANO Swiss BankGpn(51:12/58)	605.2		588,5	5:4.\$	625,5 +6 1.80+	566.7 (3:1)
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Chief price changes (in pence unless otherwise indicated)								
RISES		Hopkinsons	162 +14					
Ex 11% 1990 £97%	+ %	Kitchener Min	54 +10					
Ex 12%% 1999 £110%	+ 1/2	Micro Focus	240 +30					
Tr 25% I L '01 £96%	+ %	NSS Newsag	130 +14					
Allianz AG £758	+28	Nth Kalgur	45 + 5					
Appledore (A&P). 300	+25	Oliver Res	31 + 6					
	+16	Parkland Text. A.	112 +19					
	+ 5	RHM	163 + 5					
	+25	Reuters B	376 +16					
	+40	RTZ	557 +23					
	+16	Storehouse	305 + 17					
East R Cons 56	+14	Traf House	331 +13					
Geevor Tin	+ 8	FALIS	4					
	+11	Dowty	195 — 5					
GKN 271	+12	Magnet & South	132 - 6					
Habitat-Mother _ 421	+26	Plessev	164 - 4					

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FINANCIAL TIMES

FT Publications, Inc. 1985

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NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

| Americk | 1 | 35 | 16 | 395 | 395 | 395 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 Guilfist 28 78 144
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NYSE COMPOSITE CLOSING PRICES

AMEX COMPOSITE CLOSING PRICES

NYSE COMPOSITE CLOSING PRICES	AMEX COMPOSITE CLOSING PRICES
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WORLD STOCK MARKETS CHECK EVERY DAY IN THE FT	There is 77 70 11 71 72 12 13 14 15 17 17 17 17 17 17 17 17 17 17 17 17 17

FINANCIAL TIMES WORLD STOCK MARKETS

WALL STREET

Confidence revives in lower rates

MR MARTIN BANGEMANN, the West German Economics Minister, yesterday revived Wall Street's confidence that US interest rates have further to fall, writes

Terry Byland in New York.
His reported comments that the US
will seek a co-ordinated interest rate reduction by the G5 countries at this weekend's meeting spurred a sharp rise in the bond prices, which soon overflowed into the stock market. The advance was only slightly restrained by the refusal by Mr James Baker, US Treasury Secretary, to comment.

Bond prices extended their gains as the Fed announced substantial repurchase arrangements to offset the adverse cash flows associated with the opening of the year. The board again pre-announced repurchases - this tima for five and seven days. Longer-dated bonds showed gains of nearly 1½ points, and short-term rates turned easier despite a sharp rise in federal funds.

A rise of 10 Dow points in the stock market was trimmed when General Electric, a constituent, fell \$1 to \$68% on its results. The Dow Jones industrial average ended a net 8.25 points higher at 1,527.29. Trading was heavy, with 122.5m

Tokyo New Stock Excha

1982

STOCK MARKET INDICES

1.527.29

698.84

173.01

1,109.6 1,390.5

672.02

311.6

531.2

Jan 4,1968-100

1983

692.78

172.55

206.64

1,094.3

1,370.1

664.42

727.53

10.77

306.8

closed 12,928.6 11,823.9

528.4

2,766.91 2,768.26 2,151.26

2,194.7° 2,148.99 1,969.9 2,843.9° 2,811.98 2,394.10

n/a 216.31

103.1

707.2

2,161.8 2,106.1 1,137.7

1.783.66 1,782.23 1,331.00

245.8

401.52 401.97 314,31

629.15 634.00 770.18

1,805.00 1,818.21 1,414.01

465.41 248.89

152,2

1,026.0 903.5

108.55 106.86

104.0

248 9

137.46

closed 1,027.9

1.050.5 1.048.9

126.82 125.74

1.519.04 1,230.79

1984

591.78

148.39

170.81

961.3

604.53

664.00

460.1

930,36

734.B

407.9

58.52

160.43

1,233,2

1985

Yen

FF

SFr

BFr

CS

1986

2.4625

202.35 7.555 2.082

2771

50,15

(3-month offered rate)

SF

FF

US3-month CDs

1987

1993

1995

97 2015

8%

91/2

(years)

1-10

3-month US\$

6-month US\$

(offered rate)

1.405

CURRENCIES

Previous

2.466 202.6 7.5675 2.089 2.777

1,681.5

50.35

INTEREST RATES

US BONDS

98%

1011/42

133.70

128.91

135.49

148.06

Source: Memil Lynch

10% June 1990

3% July 1990

8% May 2000

10% Mar 1993

10% May 1993

10% May 2013

11.80 Feb 2013

12¼ Dec 2012

Abbot Lab

Federated Depl Stores

Yleid

9.06

8.299

8.45

Day's change

+0.31

+0.15

+0.35

+1.11

Yield

7.85 85.321

101

11.00 106% 11.00

11.50 108% 11.25

10.30

10.60

136.82 .+0.47

Price

102%

104

102

100%

106%

FINANCIAL FUTURES

85.321 7.85 92% 10.06

1,40405 2.02535

US DOLLAR

1400 End

1200

1000

800

NEW YORK

DJ Industrials

DJ Transport

DJ Utilities

LONDON

FT Ord

FT-SE 100

FT-A 500

Tokyo SE

AUSTRALIA

All Ord.

AUSTRIA

BELOID

CANADA

Metals & Mins

Credit Aktier

Belgian SE

Composite

Montreal

Portfolio

DEKMARK

FRANCE

CAC Gen

Ind. Tendance

WEST GERMANY

Commerzbank

FAZ-Aktien

HONG KONG

Hang Seng

Banca Comm

NETHERLANDS

ANP-CBS Gen

ANP-CBS Ind

NORWAY

Oslo SE

SINGAPORE

Straits Times

SOUTH AFRICA

JSE Golds JSE Industrials

Madrid SE

SWITZERLAND

SWEDEN

WORLD

ITALY

SE

Toronto Metals & Minis

FT-A All-share

FT Gold mines

FT-A Long gilt

shares changing hands as interest spread from the blue chips to the broader range. Honeywell surged ahead on good results.

The renewed hopes of lower US rates countered the effects of the recent employment and retail salea statistics. which indicate a strengthening economy and thus lowered expectations that the Fed will influence rates downwards.

Although retail interest in bonds remained relatively restrained, there were signs of buying hy institutions and especially Japanese investors.

Among interest-rate sensitive stocks, quick to respond to the reports from West Germany, the money centre banks were prominent, led by Chase Manhattan, \$2% up at \$76, and Citicorp. up \$1% at \$52%. Federal National Mortgage (Fannie Mae), an immediate beneficiary from lower rates, gained \$1% to \$25%.

With prospects for lower US retes and a lower dollar back on the borizon, there was a sharp jump in bullion prices which hrought a technical rebound in the North American gold producer is-sues. Homestake Mining, the major US gold producer, gained \$% to \$28%.

Among the Canadians, Dome Mines added \$% to \$11% and Ecbo Bay Mines \$% to \$15%. South African mining issues, traded on the over-the-counter markets, remained subdued, but there was a gain of \$1% to \$39% in ASA, the investment trust which is the main vehicle for US investors in these mines.

IBM, now on the verge of announcing results, gained \$3% to \$152% in brisk trade. Digital Equipement, second to IBM in data processing, bounced up \$41/2 to \$141%. After increasing the dividend

KEY MARKET MONITORS

payout on the back of the results announced this week, NCR jumped \$14 to

Airline stocks rebounded, led by the two major domestic carriers, United, up \$1 at \$48%, and American, up \$% at \$41%. With the latest car industry sales figures down sharply, the Detroit motor stock looked mixed - General Motors \$% easier at \$69% and Ford up \$% at \$58%.

The renewed bullishness revived several speculative market rumours. Honeywell gained \$2% to \$77% although the board denied suggestions of a leveraged buy-out. RCA was heavily traded but showed a gain of only \$\% to \$63 after an early gain was largely erased when United Technologies firmly rejected rumours of a bid plan.

Champion Spark Plug was also very active but off its top with a gain of \$% at \$10% following a boardroom denial of any merger negotiations.

But more successful spots included Avondale Mills, up \$2% at \$23 on news of buy-out talks, and GAF, up \$1% at \$54% after a Paine Webber analyst told clients that the stock would benefit strongly from its Carbide stake.

In the over-the-counter market, stock in HBO, which installs bospital computer systems, fell \$2% to \$15 when Dean Witter Reynolds removed it from the firm's recommended list, and the company planned a statement on the profits

The credit markets brushed aside a jump in federal funds to 8% per cent. despite a further \$2bn in customer repurchases from the Fed when the rate touched 8% per cent. The board has generously provided reserves this week - including foreshadowing \$850m of 15-day customer repurchases due to be made yesterday – but the reserves are clearly intended to smooth traditional January cash flow distortions and not to repre-

sent any change in policy. Treasury-bill rates eased by 4 basis points. But bond prices showed renewed strength at mid-session, when early gains of more than a full point were

LONDON

1150

STERLING

1.442

3.55

291.75

10.895 3.0025

3.995

723

8½ 7.85

2,417.5 2,422.25

1.4405

3,5525

291.75

10.9 3.01

4.0

72.55

121/4

8% 8% 7% 7.96

Price Yield

99% 8:312

97 1/12 9.249

1001% 9.417

1037/2 9.558

8.99 - 0.06

-0.05

- 0.08

8.37

8.91

9.81

Prev

Price Yield

101% 9.90

88% 10.25

A BURST of optimism shot through London yesterday on reports that the West German Economics Minister had embarked on a plan to co-ordinate an interest-rate cut.

Share and bond prices surged higher, and the FT Ordinary index hriskly extended a near-close rise of only 6 points to finish 15.3 ahead at 1,109.6 while the FT-SE 100 index added 20.4 to 1,390.5.

Interest rates had earlier dictated the trend as domestic financial markets waited to see whether the Bank of England's bold initiative on Tuesday would he successful.

Gilts enjoyed considerable after-hour support, with longs gaining almost a full point, while shorts advanced ¼ in places. Chief price changes, Page 37; Details, Page 36: Share information service, Pages 34-35

HONG KONG

jected some life into Hong Kong and huoyed the Hang Seng index 1.43 higher to 1,783.66.

Small investors and isolated overseas institutional support formed the basis of the huying that firmed China Light 30 cents to HK\$16.30 and Hongkong Telephone 10 cents to HK\$10.90. Hongkong Gas moved against the trend with a 20cent fall to HK\$14.40.

Jardine Matheson picked up 10 cents to HK\$13.40 while Hongkong Land firmed 5 cents to HK\$6.70. Cheung Kong failed to recoup the losses of the previous session and closed steady at

Some stability returned to the banking sector,

AUSTRALIA

A MORE BULLISH tone was evident in Sydney as the All Ordinaries added 1.7 to 1,050.6m, just below its record high, and the All Industrials index firmed 2.4 to a peak 1,549.1.

Pioneer Concrete was actively traded

with about 3.3m shares crossed in Melbourne, although the price beld steady at A\$2.70. BHP traded in an 8-cent range before

closing unchanged at A\$8.94 while CSR picked up 2 cents to A\$3.72 and Bell Resources was steady at A\$5.80.

Mines eased although some leading issues recovered some from the day's low.

SINGAPORE

FURTHER GROUND was surrendered in a listless Singapore as investors trimmed 4.85 off the Straits Times Industrial index at 629.15.

Singapore Airlines was the most active, after a busy session on Tuesday, and finished steady at S\$4.92 on turnover of 882,000 from a total volume of

Sime Darby was also active with a 1-cent fall to \$\$1.46, and Singapore Land, most active in the previous session, was busy with a 1-cent fall to S\$1.99.

CANADA

SURGING gold sbares triggered a broad advance in Toronto, and further encouragement was found in the stronger per-

formance on Wall Street.

Gold stocks, buoyed by the highest bullion price for 10 months, jumped with early gains of CS1 apiece for Dome Mines at CS15% and Lac Minerals at C\$38%. Echo Bay traded C\$% higher to

Banks and mines were the strongest feature of a higher Montreal.

Foreigners return with a vengeance

FOREIGNERS returned to Europe yesterday with a vengeance and swamped some bourses in a wave of bargain-

hunting.
Frankfurt was first on their itinerary and the exchange was again forced to extend trading by 30 minutes to process the surge in turnover.

The Commerzbank index rose 55.7 to 2,181.8, its second consecutive record this week. Brokers noted a lack of fresh factors

stimulating the steady rise and some believed that the rally was selfperpetuating.
Centre stage was held by Siemens,

which, after a huy recommendation from a local brokerage house, leapt 6.6 per cent to finish up DM 54 at DM 616. AEG dropped on news that the Cartel Office would later this month rula on Daimler's plans to take a majority stake in the group. The electrical group lost DM 4 to DM 308 as Daimler continued to deny that it planned to raise its offer for outstanding AEG shares.

Daimler, however, gained on the day, ending DM 60 up at DM 1,445, es it led the car sector higher.

In banks, Bayerische Hypotheken fell to profit-taking after recent strong gains on takeover speculation. It fell DM 27 to

Insurer Allianz, which on Tuesday was at the other end of the Bayerische

Hypo takeover rumour, surged again, adding DM 65 to DM 2,865. Retailers were also strong and engi-

neering issues bullish. Foreign and domestic investors took up fresh positions in the bond market and prices ended higher. Longs showed gains of about 35 basis points and shorts rose by as much as 10 basis points.

The Bundesbank continued its selling spree, divesting itself of DM 60.2m worth of paper

Activity in West Germany fuelled sentiment in Amsterdam, which also reacted to increased optimism over the Dutch economy and the slightly firmer dollar.

Multinationals, which have recently

been in the doldrums, continued their recovery, with Akzo FI 1.90 higher at 157.10 and Philips up FI 2.60 at FI 61.90. Star performers were construction issues, which received a boost from na-

tional newspaper reports that the indus-try was poised for a recovery in 1986. HBG added Fl 4.50 to Fl 142 and Volker Stevin was up Fl 2 at Fl 37,20. Zurich extended the rally begun late on Tuesday as gains in the recently somnambulant banking sectors pulled other stocks higher. Credit Suisse gained SFr

60 to SFr 3,800 and Bank Leu added a sparkling SFr 175 to SFr 4,700. The market was flooded with large buy orders from institutions for Nestle,

whose bearer share added SFr 105 to Bargain-bunting pushed Paris higher in active trading. Investors were also

cheered by a drop in the overnight call money rate.

Building issues stole the show ahead of next Monday's decision on the English Channel fixed-link project. Auxiliaire d'Entreprises gained FFr 65 to FFr 1,495, while Bouygues, which faded in the previous session, climbed FFr 39 higher to FFr 1,000.



Despite buying interest in some sectors, Brussels continued to suffer from profit-taking and ended mixed.

Financials, non-ferrous metals, steels and oil issuas put in a better performance, while banking stocks were

Milan was again higher ahead of today's end of the January trading ac-count, but Stockholm finished down despite an attempted upturn during the morning. Banks took Madrid marginally

SOUTH AFRICA

THE STRONGER bullion price took Johannesburg gold shares sharply higher.

Among the leading issues Randfortein surged R14 to R267 while in firmer mining financials its bolding company "Johnnies" rose R15 to R300 on quarterly results.

Impala Platinum gained more ground with another R1.15 rise to R28.50, and leading diamond share De Beers added

R1.05 to R18.05. Barlow Rand benefited from the stronger sentiment and advanced 35

Establishing a toehold for the future

MORE FOREIGN banks and securities. houses are opening representative offices in Tokyo as a toehold for future securities husiness in Japan, writes Shigeo Nishiwaki of Jiji Press.

Such representative offices, licensed on registration with the Ministry of Finance, increased by 22 last year to 112, reflecting growing foreign interest in Tokyo as an international financial centre rivalling New York and London.

In addition, according to one foreign securities house, many other foreign concerns not registered with the Finance Ministry have representatives working out of rooms in hotels or condominiums, ..

The activities of representative offices of foreign financial institutions are limited to market research and analysis and corporate research work. But their general aim is to win the ministry's approval to open hranch offices qualified to deal in securities.

Ten representative offices were ungraded to hranch offices last year. Six of them, including Schröders, a British merchant bank subsidiary, and

The Tokyo stock market was closed yesterday for a holiday.

Deutsche Bank, subsidiary of the leading West German bank, gained the status on December 20.

The simultaneous approval of so many was seen hy some observers as the ministry's response to criticisms by the US, Britain and West Germany over foreign access to Japanese financial markets. But the ministry denied that it yielded to foreign pressure.

A ministry official estimates that the number of foreign offices doing securities business in Tokyo will increase to around 40 this year from the present 20. Tha rush into Tokyo has caused an acute shortage of office space, around Marunouchi, the central financial dis-

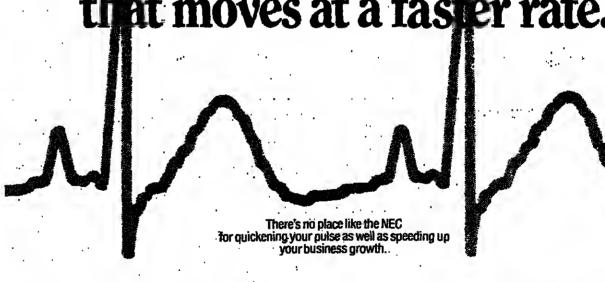
trict. A room for rent, if any, will cost Y12,000 (S59) a square metre a month, plus Y1,000 to Y2,000 in guarantee money. Space may be even costlier than in New York and London, says a leading property group.
These foreign institutions are also

looking for Japanese who are well experienced in international securities business, proficient in English and competent in negotiations with the authorities.

Most are trying to recruit through the head-hunting agencles which have recently proliferated. Salary offers range from \$200,000 to \$400,000 a year, several times higher than those paid hy Japanese securities firms.

. .

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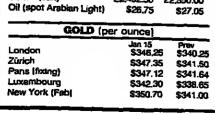
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BIAN



Swiss Bank Ind 605.2 596.1 403.4 Latest High CHICAGO US Treesury Bonda (CST) Capital Int'l 252,7 8% 32nds of 100% 252.7 189.3 83-09 83-19 82-18 82-18 COMMODITIES S1m points of 100% Silver (spot řixing) n/a n/a 424.05p £997.50 £1 003.50 \$1m points of 100% Coffee (Jan) £2,492.50 22,550.00 92.26 92.39 92.16 92.16 LONDON 91.97 92.08 91.85 91.82 £50,000 32nds of 100% 108-14 108-22 107-07 107-22